

# Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

R

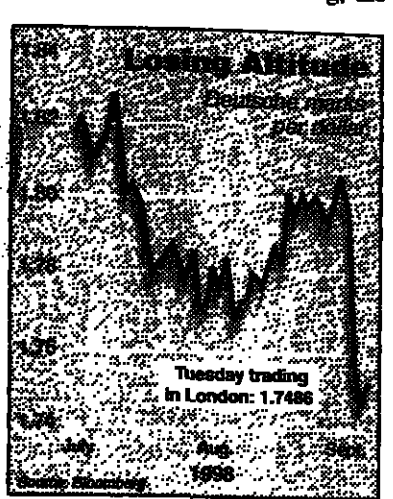
Paris, Wednesday, September 2, 1998

No. 35,925

## Global Financial Crises No Longer Lift Dollar Climate Deteriorates for 'Safe Haven'

By Tom Buerkle  
International Herald Tribune

LONDON — The status of the dollar as a haven in times of financial turmoil has been seriously shaken by the plunge in share prices on Wall Street and fears that the financial crisis in Russia will spread to major U.S. trading partners in Latin America, traders and economists said Tuesday.



dollar was at 1.7450 DM, down from 1.7486 DM in London and down from 1.7525 DM in New York on Monday. The dollar fell to 136.325 yen from 140.550 yen.

The weakness reflects a new belief that the Federal Reserve Board is more likely to cut interest rates than to increase them, in an effort to cushion the U.S. economy from the financial turmoil. The fall also reflects an increasing tendency by international investors to bring their money home to escape the heightened risks of global markets, a trend that could hurt countries like the United States that are dependent on inflows of foreign capital.

"The fact that the U.S. is the largest international debtor and has a growing trade deficit to finance is the ultimate reason why the dollar cannot represent a safe haven in times of financial distress," said Paul Meggyesi, currency economist at Deutsche Bank in London.

The turbulence in global markets has also aroused financial tensions within Europe. Money has flowed into the mark and German government bonds in recent days. The Bank of Italy had to raise interest rates modestly Tuesday to counter a slide in the lira. And currency and interest rate futures no longer point to the uniform levels that must prevail by January among the 11 European countries that are scheduled to adopt the single currency.

See DOLLAR, Page 12

## Market Turmoil Raises Pressure for Rate Cut

By Richard Stevenson  
New York Times Service

WASHINGTON — The sharp stock market sell-off is likely to ripple through policy and politics, putting more pressure on the Federal Reserve Board to cut interest rates and threatening the air of prosperity that has been the foundation of President Bill Clinton's political support, analysts and government officials say.

Unlike the stock market crash in October 1987, the financial system handled the 512-point downturn Monday without any major problems, and the Clinton administration rushed the Treasury secretary, Robert Rubin, out with soothing words about the soundness of the American economy.

Mr. Rubin, who was back in Washington after two weeks of vacation, said Monday he had spoken during the day with Mr. Clinton, who was in California during the afternoon, and that the president was "very confident" about the economy.

A spokeswoman for the Federal Reserve, Lynn Fox, said the central bank had no comment on the market's decline. But economists said that every sharp drop in the market helped build a more compelling case that the economy could slow substantially in coming months and that a cut in interest rates would not only help avert a deeper downturn at home but help restore confidence and calm in badly battered markets and economies around the world.

"We may not be able to control the global wildfire, but by cutting rates we might be able to contain it," said Sung Woon Sohn, an economist at Norwest Corp.

The Fed has until the last few weeks regarded inflation as the main threat to the continuation of America's long economic expansion, which has driven unemployment down to 4.5 percent.

Many analysts still think the Fed will not cut rates unless there is more compelling evidence that the domestic economy is sinking or the market slide accelerates so much that it endangers the stability of the financial system.

In 1987, Mr. Greenspan — faced with a more sudden market meltdown — pressed lenders to make sure they made credit available within the financial system and then cut rates to keep the economy from stalling.

But nearly 11 years later the banking and financial systems are much stronger than they were then, interest rates are already low by many standards, securities exchanges are better able to handle floods of orders, and government officials and analysts said they saw no need for any immediate

interest rates would not only help avert a deeper downturn at home but help restore confidence and calm in badly battered markets and economies around the world.

"We may not be able to control the global wildfire, but by cutting rates we might be able to contain it," said Sung Woon Sohn, an economist at Norwest Corp.

The Fed has until the last few weeks regarded inflation as the main threat to the continuation of America's long economic expansion, which has driven unemployment down to 4.5 percent.

Many analysts still think the Fed will not cut rates unless there is more compelling evidence that the domestic economy is sinking or the market slide accelerates so much that it endangers the stability of the financial system.

In 1987, Mr. Greenspan — faced with a more sudden market meltdown — pressed lenders to make sure they made credit available within the financial system and then cut rates to keep the economy from stalling.

But nearly 11 years later the banking and financial systems are much stronger than they were then, interest rates are already low by many standards, securities exchanges are better able to handle floods of orders, and government officials and analysts said they saw no need for any immediate

See RATES, Page 12

## Malaysia Clamps Down On Currency Trading

By Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — Malaysia effectively turned its back on the free market Tuesday, becoming the first Southeast Asian country hit by the regional economic crisis to clamp down on currency trading.

The government said Tuesday that it was taking measures, including restrictions on foreign investors at Malaysia and a ban on the trading of deposit of ringgit outside the country, would insulate the domestic economy from the spreading global financial crisis.

"People can no longer stay with the so-called free-market system," Prime Minister Mahathir bin Mohamad said in introducing the measures. "They need

Newstand Prices	
Andorra	10.00 FF Lebanon
Antilles	12.50 CFA Morocco
Armenia	1.600 CFA Qatar
Cambodia	1.600 CFA Qatar
Egypt	1.600 CFA Qatar
France	1.600 CFA Qatar
Germany	1.600 CFA Qatar
Greece	1.600 CFA Qatar
Italy	1.600 CFA Qatar
Japan	1.600 CFA Qatar
Korea	1.600 CFA Qatar
Spain	1.600 CFA Qatar
Switzerland	1.600 CFA Qatar
Taiwan	1.600 CFA Qatar
U.S.	1.600 CFA Qatar
U.K.	1.600 CFA Qatar

to take some action which is contrary to the philosophy or the principles of the free market."

Zeti Akhtar Aziz, the country's acting central bank governor, said the moves were taken to "minimize the impact of a possible global economic crisis and a breakdown in the international financial system."

The measures are a victory for Mr. Mahathir, who has called for currency controls since a meeting in Hong Kong late last year where he accused George Soros, the hedge-fund pioneer, of undermining Asian economies.

In the past two weeks, two other governments in the region stung by the crisis have intervened in their plunging markets. Hong Kong has spent billions of dollars to rescue its sagging share prices. And Taiwan last week made it more difficult to sell shares in its market.

But Malaysia's measures are far more comprehensive in scope. The government has required that all Malaysian currency held abroad be repatriated before Oct. 1. That involves billions of ringgit that are currently traded or stored in bank accounts in financial centers such as Singapore and Hong Kong — money that the Malaysian government contends is being used for speculative purposes.

After the deadline, "ringgit held outside of Malaysia will not be legal tender," Mr. Mahathir said.

See RINGGIT, Page 15

## Russia Smolders as World Waits

By Celestine Bohlen  
New York Times Service

MOSCOW — As anxiety over Russia's deepening economic crisis spread from banks to stores, where stocks of imported goods were thinning fast, the acting prime minister, Viktor Chernomyrdin, said Tuesday that he would form a new government, without waiting for Parliament's approval.

"In the current, most grave situation, the country cannot stay without a government," he said at a meeting of officials. "Delays and inaction may throw us back several years. This will not happen. We must not allow this under any circumstances."

After Mr. Chernomyrdin's nomination went down Monday to a resounding defeat in the State Duma, the lower house, political leaders were still arguing Tuesday whether the second showdown should be held Friday or Monday.

The outcome of the political stalemate remained uncertain, as both sides in Russia's recurring political battle dug in their heels.

President Boris Yeltsin, stopping by a Moscow school to mark the opening of the academic year, vowed to get Mr. Chernomyrdin confirmed within a week.

Leaders of the Communist opposition said they would never approve him, even if this refusal led to dissolution of the Duma.

Mr. Yeltsin, who stayed out of public view during the early days of the crisis, seemed to be regaining some of his fighting form, despite rumors that his health had taken a turn for the worse.

Although he seemed tired during a television in-

terview Friday, Western diplomats reported that he was in good form during private meetings last week with the Bulgarian president, Petar Stoyanov, showing full command of the matters under discussion and engaging in give-and-take.

But in the financial crisis, which is threatening to overwhelm the Russian economy, Mr. Yeltsin is still on the defensive, fending off attacks from a Communist-led opposition bent on breaking his grip on politics.

An attempt to shift some of the powers of the presidency to Parliament collapsed last week when the Communists backed away from an agreement that they regarded as a ruse to win confirmation of Mr. Chernomyrdin.

See RUSSIA, Page 8



President Boris Yeltsin of Russia embracing President Bill Clinton of the United States as they began discussions at the Kremlin on Tuesday.

## Clinton Urges Yeltsin To Stick to Reforms

Russian Gives Vow but Sees Bigger State Role

By David Hoffman  
Washington Post Service

MOSCOW — President Bill Clinton implored Russia on Tuesday not to revert "to the failed policies of the past" in struggling with its financial crisis.

In turn, President Boris Yeltsin pledged "no retreat" from a commitment to economic reforms and democracy.

Mr. Yeltsin said that Russia would make "tactical changes" to ensure more state control over the economy.

The exchange was the core of the first day of a Kremlin summit meeting dominated by Russia's economic free-fall.

Mr. Clinton came bearing advice but no additional aid beyond the \$22.6 billion International Monetary Fund package put in place in July.

The two presidents agreed on arms-control measures, although they did little to advance the impasse over the Russian Parliament's refusal to approve the START-2 treaty.

They approved a pact designed to share early warning information about missile launches and cut down stocks of weapons-grade plutonium.

Mr. Clinton, who arrived Tuesday morning from Washington, met Mr.

Yeltsin in the Kremlin with a bear hug and handshake.

The Russian president looked more vigorous than in recent days while he was doing battle with Parliament.

Mr. Clinton visited a Moscow school on opening day and later delivered a speech to students at the Moscow State University of International Relations.

More meetings with Mr. Yeltsin and a news conference are planned.

Mr. Clinton's address had a lecturing tone. He repeatedly insisted that Russia must "play by the rules" of international commerce. He said Russians had to "pay their fair share of taxes" and warned the Russian government, which has defaulted on internal debt, that "the people who lend money to this nation must be treated fairly."

The American also urged Russia not to abandon the path toward market democracy. "Given the facts before you," he said, "I have to tell you that I do not believe there are any painless solutions."

"Today's financial crisis does not mean you have to abandon your march to free markets," he went on. "I believe

See SUMMIT, Page 8

## The Bulls Stampede Back to Wall Street

Upbeat Views of Experts Help Dow Recover Much of Previous Day's Loss

By Mitchell Martin  
International Herald Tribune

NEW YORK — A spate of recommendations from bullish analysts on Tuesday helped the Dow Jones industrial average recoup more than half of its 512-point Monday loss.

The Dow closed 288.36 points higher, or up 3.8 percent, at 7,827.43. More than 1 billion shares were traded on the New York Stock Exchange.

Bond prices fell, indicating that some investors may have been cutting their exposures to the credit markets in favor

of stocks. The yield on the 30-year Treasury bond rose to 5.34 percent from 5.27 percent.

Despite the recovery in stocks, opinions on Wall Street varied, with high-profile securities houses offering conflicting advice.

In the bullish camp, Abby Joseph Cohen of Goldman, Sachs & Co. recommended that investors raise their exposure to equities to 72 percent from 65 percent, while the chief strategist at J.P. Morgan Securities Inc., Doug Cliggett, advised a stock weighting of 60 percent, up from 50 percent, Bloomberg

News reported. Both strategists said investors should hold onto bonds, which they have recommended for about a quarter of investor portfolios.

Yet Merrill Lynch & Co., the biggest brokerage house, suggested that investors concentrate on bonds and reduce their exposure to stocks to 50 percent of their holdings from 55 percent, and Edward Yardeni, chief economist of Deutsche Bank Securities in New York, told clients, "It sure looks like a bear market."

See MARKET, Page 12

The Dollar		
	Tuesday @ 4 P.M.	previous close
DM	1.745	1.7525
Yen	136.325	140.55
FF	5.8825	5.886
Pound	1.6748	1.678
The Dow		
	Tuesday close	percent change
+288.36	7,827.43	+3.82%
S&P 500		
	Tuesday close	percent change
+36.96	994.24	+3.83%
Nasdaq		
	Tuesday close	percent change
+75.84	1,575.09	+5.06%

## Let's Face It: Both Sexes Prefer the Pretty-Boy Look

People Favor It Over Tough-Guy Big Jaws and Heavy Brows

By Natalie Angier  
New York Times Service

NEW YORK — A timeless movie scene we wish we could forget: Leonardo DiCaprio climbing to the bowsprit of the "Titanic" and crowing, "I'm king of the world!"

The latest word from scientists: He may have a point.

Or, rather, a fetching bit of roundness. In a new study of facial attractiveness, researchers from Scotland and Japan have found that, much to their astonishment, people of both sexes prefer feminine-looking men over rugged, manly men.

When shown a series of computerized photographs of young men whose images had been manipulated to make them look either more masculine or more feminine than the norm, viewers designated the artificially feminized faces as somewhat more attractive than the average faces, and more appealing by far than the masculinized versions. The results held cross-

culturally, whether the faces shown or the people passing judgment were Japanese or Caucasian.

The scientists had predicted that such traditional hallmarks of male dominance and maturity as a big jaw, square face, prominent nose and heavy brow would prove irresistible to women, who in theory are ever on the lookout for their alpha mate, and impressive to men. Instead, appraisers seemed drawn to a touch of girliness — slender nose, cupid's lips, lightened brow, adorable chin.

In other words, Leo rules!

So, too, do the likes of Johnny Depp, Matt Damon and Ralph Fiennes, as well as Paul McCartney when his top still mopped, his Monkee clone, Davy Jones, and the young Elvis in white and the young Brando in the buff, who were both so pretty you could swear they wore Maybelline. Far from putting a man at a competitive disadvantage, it seems, femininity may be a source of sexual and social strength. The



Leonardo DiCaprio flaunting the look people favor.



Arnold Schwarzenegger, too manly for his own good.

See FACES, Page 8

## AGENDA

### Sinn Fein Calls Violence 'Thing of Past'

DUBLIN (Reuters) — Sinn Fein, the political ally of the Irish Republican Army, said Tuesday that it considered violence to be a "thing of the past" in the campaign to end British rule in Northern Ireland.

In a statement that senior IRA officials said was of "absolutely huge significance," Gerry Adams, the party leader, said, "Sinn Fein believe the violence we have seen must be for all of us now a thing of the past, over, done with and gone."

An IRA official said the move was timed to precede President Bill Clin-

ton's visit to Belfast and Dublin this week and was aimed at bringing about the first talks between Mr. Adams and David Trimble, the leader of the pro-British Protestant Ulster Unionist Party.

Mr. Trimble gave a "cautious welcome" to the statement, but added: "Carefully crafted words alone are not enough. The people of Northern Ireland will now judge Sinn Fein on their actions over the coming days. An end to the war means the weapons of terrorism must be destroyed and all forms of paramilitary violence must cease for good."

### PAGE TWO Baseball's Great Home Run Race

THE AMERICAS  
Congress Faces a Chaotic Session

ASIAPACIFIC  
Angry Reactions to Missile Firing

Books ..... Page 9  
Crossword ..... Page 18  
Opinion ..... Pages 6-7  
Sports ..... Pages 18-19

The Internet ..... Page 10  
The IHT on-line: www.ihnt.com

### Riots on Sumatra Target the Chinese

Mobs attacked Chinese-owned shops for a second day Tuesday in the Aceh Province of Indonesia.

Riot police shot and killed two people in Lhokseumawe, an industrial city on Sumatra, residents said. At least 10 people were wounded in the riots, the biggest since unrest in May led to the removal of President Suharto and his replacement with B.J. Habibie.

The unrest erupted Monday after more than 660 Indonesian soldiers withdrew from Aceh. Page 4.



## McGwire and Sosa / In Pursuit of Home-Run History

## From 2 Sides of the Tracks to the Batter's Box

By Richard Justice  
Washington Post Staff Writer

WASHINGTON — One rose from the stifling poverty of the Dominican Republic, selling oranges and shining shoes to help his mother feed a family of six. The other grew up the son of a dentist in a comfortable Southern California community of manicured lawns and country clubs.

One left home at 17, scared and so thin that one of his early minor league coaches considered him malnourished. The other attended the University of Southern California, played for the 1984 U.S. Olympic baseball team and was in the major leagues to stay before his 24th birthday.

One appears to be having the time of his life, basking in the interviews and adulation, playfully blowing his mother a kiss after every home run. The other occasionally has seemed burdened by his summer-long pursuit of baseball history, at times growing testy with reporters and umpires and recently revealing he has sought counseling to help him deal with the stress.

Sammy Sosa of the Chicago Cubs, the once-skinny boy from the Dominican, and Mark McGwire of the St. Louis Cardinals, the dentist's kid, are so different, from such contrasting backgrounds and with such varied personalities, that their names might never have been mentioned in the same breath.

Now, they will be forever linked in the hearts and minds of a generation of American baseball fans as an unforgettable season begins its final month with both closing in on the most storied record in all of American professional sports — 61 home runs by Roger Maris of the New York Yankees in 1961.

In more than 100 years of Major League Baseball, only two players — Babe Ruth in 1927 and Maris — have hit 60 home runs in a season. This season, two players could do it. Sosa hit his 55th home run Monday night, tying McGwire for the major league lead, with nearly a month left in the season.

In recent weeks, cameras have captured the two joking with each other, sharing a private moment or a private thought. In truth, they barely know one another, their relationship limited to a few brief visits before and during games.

Recently, when McGwire attempted to strike up a conversation with Sosa before a game, he had to back away when a half-dozen television cameras swarmed in to eavesdrop.

Still, they do seem to share a warm regard for one another. Throughout the summer, Sosa has deferred to McGwire, saying again and again: "He's the man." Friends say he is being completely sincere when he says he is rooting for McGwire to break the record, while his priority is to help the rejuvenated Cubs get to the playoffs.

"You don't have to know Mark McGwire so well to be a friend," Sosa said Monday in Chicago. "He's a great guy. I admire Mark McGwire and the way he is as a person. I would like to be around people like that. I have a lot of respect, and that's why he's the man."

Likewise, McGwire has been respectful of Sosa, calling him "a great player" at every



Doug Calver/Agence France-Press

Sammy Sosa, left, grew up in poverty in the Dominican Republic, while Mark McGwire was raised in affluence in Southern California. Their vastly different backgrounds punctuate their quest for baseball's most storied record.

opportunity. But it's clear that the two men are thrown together more by history and circumstance than by a real friendship.

"I don't know Sammy well," McGwire said Monday in Florida. "I've known him since he was with the White Sox and I was with Oakland, then he was traded to the Cubs. It's one of those things where you wish you really knew the guy, but hopefully someday we really can get to know each other."

Yet their differences make their run at history even more appealing. Major League Baseball was an exclusive playpen for white men for so long that it's at least a symbol of some progress that in the summer of 1998, two men of different colors and countries could be playing havoc with the record book. And breaking the record would mean different things to each player. For McGwire, 34, it would mean the end of a trying few years during which he has endured injuries, a divorce and a trade.

For Sosa, 29, the reward would be even greater. "If Sosa breaks the record, it's going to be considered a national feat in the Dominican Republic," said the general manager of the Baltimore Orioles, Pat Gillick, who has scouted Latin American players for 33 years. "I think if Mark McGwire breaks it, it will be seen as a great feat for Mark McGwire, a personal record."

NO MATTER what happens to McGwire and Sosa over the final weeks of this season, they probably will never understand what Maris went through in 1961. As if it were not enough to be chasing the ghost of the most famous baseball player in history — Babe Ruth — Maris was competing with a teammate who was vastly more popular with fans and the media. Some teammates openly pulled for Mickey Mantle over Maris; many fans rooted against Maris to break Ruth's record.

Maris and Mantle apparently got along well, even sharing a Manhattan apartment for a while that summer. Mantle later told friends that Maris

helped him immeasurably because he had given the New York fans someone new to pick on. After all, Mantle had arrived in New York as the replacement for the great Joe DiMaggio and was viewed as an outsider until Maris came along.

McGwire has been the focus of attention since he hit 58 homers last season. Since the first day of spring training, every interview has been about two subjects: Babe Ruth and Roger Maris.

"There are times I've wished I could speak with Roger," McGwire said of the former Yankee, who died of cancer at 51 in 1985. "I did speak with his kids, and that was a thrill. But I just feel like he's up there somewhere rooting us on. I believe he wants both me and Sammy to break the record."

McGwire and Sosa are different in another way. McGwire looks like a man who could follow in the footsteps of the great Ruth. At 6 feet 5 inches (1.95 meters) and 245 pounds (111 kilograms), he's five inches taller and 45 pounds heavier than Sosa. A year-round weightlifting regimen has given him 19-inch biceps and powerful arms that make a bat seem small in his hands. But McGwire has drawn attention recently for his use of anabolic steroids, an over-the-counter supplement legal in baseball but banned by the National Football League and International Olympic Committee as a steroid.

During his 12-year career, he has averaged a home run every 11.4 at-bats, the best ratio in major league history — and no one hits longer home runs.

As for Sosa, he has added about 60 pounds since the day a dozen years ago when he showed up in Florida after receiving a \$3,500 contract to sign with the Texas Rangers. He's strong but thin, quick but not imposingly so. He never hit more than 40 home runs before this season, and only one of his 55 this season traveled 500 feet (150 meters). McGwire has hit five of 500 feet or more.

"Mark is so physically intimidating," the Chicago Cubs' president, Andy MacPhail, said.



Ramon Villal/Agence France-Press

"Outside of the uniform, Sammy might be able to walk down Fifth Avenue unnoticed."

The two players' approach to the game is also different. Sosa arrived in the United States as a wildly undisciplined player, one who seemed in a hurry to do everything. He swung the bat too hard, ran too fast and seemed intent on getting everywhere in a hurry. He led the National League with 174 strikeouts last season and has never had fewer than 92 in a full season.

McGwire is the opposite in many ways. Controlled and disciplined almost to a fault, he leads the National League in walks and has an outside chance to draw a record number of walks and hit a record number of home runs.

WHAT they do have in common is the admiration of their teammates and associates. One former teammate described McGwire as "the kind of person who laughs the loudest at everyone else's jokes but never tells one himself because he doesn't want the attention."

Indeed, McGwire has become the angriest at reporters this summer when they have sought him out after a game in which another teammate has been the star. Sosa repeatedly has said that getting the Cubs into the postseason is more important to him than the home-run record.

"The more people know Sammy, the more they like him," MacPhail said. "I think in the beginning people were rooting for Mark McGwire to break this record. But I think as people have gotten to know more about Sammy, they've started to root for him, too. He's the type of person you root for."

## Strain of HIV, New in Africa, Evades Most Standard Tests

By Rick Weiss  
Washington Post Staff Writer

WASHINGTON — French researchers have discovered in Africa a new strain of the virus that causes AIDS that is so different from other known strains that it easily escapes detection by standard blood screening tests.

The new variant of HIV-1 does not currently threaten the safety of the blood supply or otherwise pose a significant public health threat since it is extremely rare. It was discovered in a 40-year-old Cameroonian woman who died of AIDS-related problems in 1995 and it has since been implicated in only three other cases of AIDS, all in Cameroon.

Nonetheless, experts said, the emergence of the new strain is a reminder that HIV remains a microbial moving target. New strains are evolving constantly within infected people, who serve as incubators for new mutants, and chimpanzees and other wild animals harbor similar versions of the virus.

According to the French team's genetic analysis, the new virus is about equally related to the strain of HIV most commonly found in people and to a kind of virus isolated from wild chimpanzees, yet it is considerably different from both of those groups. They conclude that the new variant probably developed independently in chimpanzees and made the leap to people fairly recently.

"The isolation and characterization of this highly divergent strain indicate that the emergence of AIDS-related viruses 'in humans' is ongoing," the scientists reported in the September issue of the journal *Nature Medicine*. Francois Simon and Francoise Brun-Vezinet of the Bichat Hospital in Paris led the research.

The Cameroonian woman from whom the new virus was retrieved was first hospitalized with AIDS symptoms in May 1995. Standard antibody tests were negative. HIV-1 was diagnosed only with a highly sensitive test known as the Western blot. Such a test is commonly used in research but otherwise used only to confirm a positive or uncertain result from a screening test.

Blood from the woman, taken just before she died and analyzed in Paris, indicated that the virus belonged to neither of the two known subtypes of HIV-1: group M or group O. Group M accounts for the vast majority of AIDS cases worldwide. The strain that screening tests look for, group O, is rarely encountered. The woman, it was found, resembled a simian form of HIV, called SIV, found in chimpanzees.

To check for the prevalence of the new strain, the team tested 700 frozen samples of blood collected from Cameroonian AIDS patients between 1988 and 1997. Of these, 16 were neither group M nor group O but showed resemblances to SIV. Three of them, collected in 1992, 1995 and 1997, appeared to match the strain found in the woman.

Simon Wain-Hobson, an AIDS researcher at the Pasteur Institute in France, said he would be surprised if the virus became a major factor in the AIDS epidemic. "Will it spread? Well, of course, that's a virus's job. If you don't spread, you're dead," he said. The question is, "How far?" The most likely answer, he predicted, is "not very far."

head start by group M. The failure of the new strain to be as aggressive than others.

## U.S. Fleshes Out the Intelligence That Led It to Target Sudan Plant

By Vernon Loebe  
and Bradley Graham  
Washington Post Staff Writers

WASHINGTON — The Sudanese pharmaceutical factory destroyed in the U.S. cruise missile attack last month was singled out as a possible target months earlier, during a covert operation in which U.S. intelligence agencies inserted an agent to obtain one of several soil samples used later to justify the strike, senior intelligence officials said.

The operation, part of an effort to investigate Sudan's nascent chemical-weapons capability, ultimately linked

Shifa Pharmaceutical Industries to Iraq's chemical-weapons programs and produced a soil sample, tested three times at a private U.S. laboratory, showing high concentrations of EMPTA, a known chemical precursor to deadly VX nerve gas, the officials said.

Since the operation, the officials said, the intelligence agent who gathered the sample has been "vetted and polygraphed" to make sure he followed exactly the instructions of his American handlers. "So this is not somebody who we do not have a high degree of confidence in," an official said.

The senior officials recounted the op-

eration in an effort to counter denials by former employees of the plant and its current owner of any link to chemical weapons production or to Osama bin Laden, the terrorist financier who is the prime suspect in the Aug. 7 attacks on U.S. embassies in Kenya and Tanzania. The Shifa plant was bombed in response to those assaults.

With international skepticism continuing, intelligence officials on Monday went far beyond the generally strict practice of U.S. intelligence agencies not to divulge any details about the sources and methods they use to obtain information. A week ago, trying to squelch such

skepticism and counter a concerted campaign by Sudanese officials, intelligence officials disclosed the existence of a soil sample showing high concentrations of EMPTA. On Monday, the officials said the soil sample from Shifa contained two, and a half times the amount of EMPTA necessary for a laboratory to report its presence in the soil.

U.S. suspicions about a connection between the plant and Iraq's own chemical-weapons program deepened last year, the officials said, when the factory's chairman visited Iraq to see the man American analysts regard as "the father of Iraq's VX program," Emdad

Ani, who himself headed a pharmaceutical company.

"We see a connection with this plant and the Iraqis — that draws our attention to it," one senior intelligence official said. "We go and sample — and we get a hit on the most powerful precursor, EMPTA, for VX, that we can identify. That's the web."

The officials said they still could not explain whether the presence of EMPTA near the Khartoum factory indicated the substance had been produced inside, stored there or parked or dropped outside. "All we know is that it was there," an official said.

**HOTEL DU RHONE**  
The finest of the Rhone  
Quite simply the best  
in Geneva  
Our US\$ 50 min.  
room is now completed.  
100 beautifully appointed rooms, and  
superb marble bathrooms.  
State of the art fitness center.  
Tel. (4122) 731 98 31  
Fax. (4122) 732 45 58

**UNIVERSITY DEGREE**  
BACHELORS • MASTERS • DOCTORATE  
For Work, Life and Academic Experience  
Through Convenient Home Study  
(800) 597-1909 ext. 23  
Fax: (510) 471-6455  
http://www.pwu-hi.edu  
Free or send detailed resume for  
FREE EVALUATION  
Pacific Western University  
1210 Auld Street, Dept. 23  
Honolulu, HI 96814-4922

**THG**  
www.hotelguide.com  
check out - before you check in  
Business • Leisure Worldwide  
View visuals, info, book directly and save.  
In more than 50,000 hotels.

TRAVEL UPDATE  
BA Off to Denver

LONDON (Reuters) — British Airways started flying its new daily trans-Atlantic service between London's Gatwick and Denver on Tuesday after months of delays caused by a trade dispute over access to Gatwick.

The first direct British service to Denver, the flights will exploit the business market as well as all-year demand by British vacationers heading for the Rocky Mountains, the airline said.

Northwest Airlines, in the third day of a pilots' strike, said Tuesday that it was canceling 1,700 daily flights scheduled for Thursday. The airline said it would announce cancellations with two days' notice. (Reuters)

## Restored Orient Express Hits Rails Again — for the Wealthy

ISTANBUL — The Orient Express glided into Istanbul on Tuesday after an absence of many years, seeking to recapture the elegance, romance and mystique that made it the "train of kings" more than 100 years ago.

At the end of a five-day journey retracing the original 1883 trip from Paris, the train snaked around Byzantine city walls, below the former sultan's palace of Topkapi and into a station specially built for it in the 19th century.

The original train ground to a halt in 1977, a victim of the Cold War and regional instability. Its new incarnation marked a bid by the current owners to restore its former glory.

"The 1883 excursion is legendary," said David Williams, commercial director of the company operating the train, the Venice Simplon-Orient-Express. "It was the first train trip across Europe to the mysterious Orient."

A military band greeted it in Sirkeci — a station built for the original elite crowd of diplomats and socialites, attracted by the exoticism of Istanbul's spice markets, minarets and Byzantine ruins in the twilight of the sultan's empire.

The bustling station, adorned with bunting and flowers, is now more accustomed to weary backpackers and commuters. Locals looked on bewildered as the well-beeled visitors, mostly American, were greeted by waiters wearing fezzes.

Some passengers were drawn by exotic images conjured by writers and filmmakers who immortalized the train — most famously in Agatha Christie's "Murder on the Orient Express." The group included couples celebrating wedding anniversaries and railroad enthusiasts.

Passengers paid about \$4,625 for the trip from the Gare de l'Est in Paris, passing via the Swiss and Austrian Alps and on through Vienna, Budapest, Bucharest and Bulgaria.

## WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe	Today	Low	High	Low	High	Low	High
Algeria	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Amsterdam	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Antwerp	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Athens	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Berlin	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Bombay	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Buenos Aires	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Calcutta	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Chengdu	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Colon	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Hong Kong	22/21	18/18	22/21	18/18	22/21	18/18	22/21
London	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Los Angeles	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Manila	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Medan	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Mumbai	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Osaka	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Paris	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Perth	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Rangoon	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Seoul	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Singapore	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Taipei	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Tokyo	22/21	18/18	22/21	18/18	22/21	18/18	22/21
Yokohama	22/21	18/18	22/21	18/18	22/21	18/18	22/21

Legend: s=sunny, p=partly cloudy, c=cloudy, sh=showers, th=thunderstorms, r=rain, dr=drizzle, fog, ho=fog, ho=fog, ho=fog.

## Wash

WASHINGTON — The White House announced Tuesday a wide appeal for food aid to Cuba-stricken eastern...

The amount in the program is the record, Caterpillar's small \$20.5 million is aimed at helping 600,000 people in areas where the "flood" from lack of rice. They are pregnant women and...

## Report

WASHINGTON — has concluded failed many U.S. there is insufficient exposure to law...

The Senate reached those study and present Tuesday. Although...

author of the conclude, as called caused so called...

There is insu to prove a dispo level exposure weapon were a effects some re caused by such concluded.

At first glance prising, because the House Con form and Ove mission — has tagon and Vete

**A two-month trial subscription. Save up to 60%**  
Try a special, low cost 2-month trial subscription to the International Herald Tribune to enjoy delivery to your home or office every morning AND save up to 60% off the newsstand price.

COUNTRY/CURRENCY	2 MONTHS NEWSSTAND PRICE	2 MONTHS TRIAL PRICE	SAVING
AUSTRIA	1.45	0.50	66%
BELGIUM/LUXEMBOURG	1.45	0.50	66%
DENMARK	1.45	0.50	66%
FINLAND	1.45	0.50	66%
FRANCE	1.45	0.50	66%
GERMANY	1.45	0.50	66%
GREAT BRITAIN	1.45	0.50	66%
HONG KONG	1.45	0.50	66%
ITALY	1.45	0.50	66%
JAPAN	1.45	0.50	66%
NETHERLANDS	1.45	0.50	66%
NORWAY	1.45	0.50	66%
SINGAPORE	1.45	0.50	66%
SPAIN	1.45	0.50	66%
SWEDEN	1.45	0.50	66%
SWITZERLAND	1.45	0.50	66%
USA	1.45	0.50	66%

FOR OTHER COUNTRIES, PLEASE CONTACT YOUR NEAREST SUBSCRIBER.



## THE AMERICAS

## Distracted by Lewinsky, Congress Braces for Unpromising Final 5 Weeks

By Katharine Q. Seelye  
New York Times Service

WASHINGTON — With only five weeks left on the legislative calendar, Capitol Hill is gearing for a chaotic, if unproductive, end-of-session dominated by the Monica Lewinsky controversy.

Congress has until Oct. 1, the start of the new fiscal year, to act on 13 spending bills to keep the government running.

Some of the major issues that Congress must resolve with President Bill Clinton include whether to replenish reserves of the International Monetary Fund, how to count citizens in the next census and how to find money in a balanced budget to pay for emergencies, such as improved security at U.S. embassies in response to the recent bombings at the embassies in Kenya and Tanzania.

A report on Mr. Clinton's conduct from the Whitewater independent counsel, Kenneth Starr, is expected to arrive on Capitol Hill sometime this month — and it may engulf Congress.

This is expected to make the task of legislating, already difficult for this half of the 105th Congress, even more challenging. Given up for dead some time ago were major issues concerning health care, tobacco controls and political campaign financing.

"This Congress will be known as the Monica Lewinsky scandal Congress," said Thomas Mann, an expert on Congress at the Brookings Institution, referring to the White House intern with whom Mr. Clinton has admitted an "inappropriate" relationship.

The prospects were never bright anyway for anything but the must-pass money bills. Now, I don't see anything else emerging."

At his opening news conference for

the final legislative lap, Senator Trent Lott, Republican of Mississippi, the majority leader, delivered a stinging rebuke to Mr. Clinton, saying he had behaved in a "disgusting" manner, setting a "tragic example" for young people and forfeiting his credibility.

Mr. Lott said he was volunteering his views on the situation because it was making voters nervous and was drowning out discussion of matters that Congress must resolve before it adjourns.

As lawmakers approach the homestretch, both parties appear to be on a pragmatic course. The Republicans, brimming with optimism, want to wrap up the spending bills to keep the spotlight on the president's woes.

The Democrats, who generally support the president's position on spending bills, are afraid of being pulled down by Mr. Clinton's personal problems and for that reason want to wrap up the session quickly and go home.

Mr. Mann predicted that Mr. Clinton would stick to his veto threats, exercising his institutional authority even if he lacked personal authority.

"He'll have to veto those bills where the Democrats are united behind him, and the Republicans understand that," Mr. Mann said. "The politics of this argues for the Republicans to make the closing weeks as legislatively uneventful as possible to keep the public focused on the Starr report."

Still, Republicans are preparing to take advantage of Mr. Clinton's apparently weakened authority to push through some of their pet projects.

Mr. Lott plans to bring up a bill this week to limit the ability of consumers to file for bankruptcy. The measure is favored by the credit-card industry and banks. He also plans to bring up a bill to build a missile-defense system immediately, a measure favored by conservatives.

Also in the balance is a tax cut eagerly sought by Republicans. House conservatives, who are perceived by all sides as the biggest hurdle to an amicable resolution of the spending bills, are sending signals that if the leaders in both houses and the White House agree to a tax cut of more than \$100 billion over five years, they could compromise more easily on other matters.

"If people say we'll have a tax cut," said Representative David McIntosh, Republican of Indiana, leader of a band of conservative House members, "you'll see us be much more cooperative on other issues."

Conservatives have attached a number of social issues to various spending bills, promoting their views against abortion, homosexual rights, family planning and environmental controls. But these are unlikely to pass the Senate and are not expected to hold up the final negotiations.

The Clinton administration threatened to veto seven of the 13 bills although such threats are routine at this stage of the typically drawn-out negotiation process that consumes Congress every year over spending.

Mr. Clinton has vowed to veto only one bill, the one financing the departments of Labor, Education and Health and Human Services. He objects to the Republicans' proposed cuts in money for home-heating fuel for low-income families as well as cuts in summer jobs for disadvantaged youths and in various education initiatives.

Even as the administration is seeking to portray itself as fully engaged on the spending bills, Mr. Clinton's previously announced agenda — on child care, school construction and the hiring of 100,000 teachers — lies dormant.

The president's proposals were to be paid for with money from a tobacco bill that never materialized.

## Stocks Add to Democrats' Woes

Wall Street's Plunge Seen as a Blow to Fall Candidates

By Eric Pianin  
and Thomas B. Edsall  
Washington Post Service

WASHINGTON — Worried Democratic strategists said that the stock market rout Monday would likely damage prospects of their party's candidates this autumn and further distract from the Democratic agenda to reform health maintenance organizations and shore up the Social Security system.

Some Democrats also suggested that unless there was a turnaround sometime soon, the mounting market woes could prove politically devastating to a president already badly wounded by the Monica Lewinsky controversy.

The strong economy has been a key pillar of Mr. Clinton's favorable ratings for job performance, contrary to poor personal ratings.

"Is this what does in his job ratings?" asked a Democratic consultant, Jim Duffy. "That's the \$64,000 question. And if his job rating falls, what does it mean for the party?"

Another Democratic strategist in the national party said, "I think we've got serious problems."

Reflecting the notion that, by any calculation, the market turmoil brings no positives for Mr. Clinton, he said that the Lewinsky issue alone might have been enough to keep the president from finishing his second term. Now, the stock market losses could be his undoing.

Republican leaders were relatively muted in their initial response, although clearly they saw an opening to attack Mr. Clinton in the area where he has seemed strongest.

"We're seeing a general-ized lack of confidence in global economic leadership, including — but by no means

exclusively — the White House," said Jim Leach, Republican of Iowa, chairman of the House Banking and Financial Services Committee.

The Senate minority leader, Thomas Daschle, cautioned against premature speculation about how voters might apportion fault if the stock market continued its rapid decline.

The South Dakota Democrat noted that there were many factors at play and that while Asian and Russian economies had slipped badly, the U.S. economy remained vibrant.

"It's too early to tell whether activity in the market will make a difference," Mr. Daschle said. "What I think is important is that everyone appreciate the stock market is one gauge by which we judge the economy. I would hope our critics would give us credit for the soaring market that we've enjoyed for the last five years and the strength of the economy."

But in private, Democrats say that the snowballing effect of Mr. Clinton's political and legal problems and the free fall on Wall Street may undermine their fast-fading hopes of regaining control of the House in November.

"We've had better times," a senior Democrat in the Senate said warily. "I could probably deal with what's past. What I don't know is what's ahead."

The sharp decline in the stock market could also influence two major policy debates, dampening enthusiasm for privatizing a part of the Social Security system and drying up support for a major Republican tax cut.

Proposals by House and Senate Republican leaders for tax cuts of \$80 billion to \$100 billion or more over the coming five years depend in part

on a booming economy and soaring budget surpluses.

Fear of a bear market and a gradual erosion of the nation's economic gains could work against passage of anything other than token tax relief before the election.

Some Republican moderates who have argued against major tax cuts have seized on the market news to urge their leaders to abandon tax cut plans and focus on reducing the national debt and protecting Social Security.

"I think it certainly should throw a damper on any discussion of massive tax cuts," said Senator John Chafee, Republican of Rhode Island.

"It seems to me this strengthens the hand of those of us who say, 'Don't expect the surplus to be so large and let's not get committed to tax cuts.'"

CHICAGO — Back on the campaign trail in Illinois and Ohio after his two-week holiday in Hawaii, Vice President Al Gore turned to his companions on Air Force Two and asked, "Anything happen while I was gone?"

This was about as close as Mr. Gore came to alluding to the difficulties that are roiling the Clinton-Gore White House.

Two weeks ago, there was the president's admission of an improper relationship with Monica Lewinsky and of misleading the American people about it.

Then, last week, Attorney General Janet Reno ordered a 90-day preliminary inquiry into whether Mr. Gore lied to investigators last year when he was interviewed about his telephone fund-raising solicitations from the White House.

But in his first interview since Bill Clinton's disclosure about Ms. Lewinsky, Mr. Gore made clear that his strategy would be to say as little as possible about the tribulations that threaten to dog him until the November election and beyond, to his own planned run for the Democratic nomination in 2000.



CALIFORNIA FIRE — A firefighter spraying a building in Riverside County, southeast of Los Angeles, where very high winds fanned a blaze.

## Gore Beleaguered? 'Not at All,' He Says

By Richard L. Berke  
New York Times Service

CHICAGO — Back on the campaign trail in Illinois and Ohio after his two-week holiday in Hawaii, Vice President Al Gore turned to his companions on Air Force Two and asked, "Anything happen while I was gone?"

This was about as close as Mr. Gore came to alluding to the difficulties that are roiling the Clinton-Gore White House.

Two weeks ago, there was the president's admission of an improper relationship with Monica Lewinsky and of misleading the American people about it.

Then, last week, Attorney General Janet Reno ordered a 90-day preliminary inquiry into whether Mr. Gore lied to investigators last year when he was interviewed about his telephone fund-raising solicitations from the White House.

But in his first interview since Bill Clinton's disclosure about Ms. Lewinsky, Mr. Gore made clear that his strategy would be to say as little as possible about the tribulations that threaten to dog him until the November election and beyond, to his own planned run for the Democratic nomination in 2000.

He did not move beyond his statement of last week that he would be vindicated in the fund-raising matter, and he declined to discuss details of the Reno inquiry.

Asked whether Mr. Clinton had assured him that he had not had a relationship with Ms. Lewinsky, Mr. Gore told reporters aboard his plane: "I've never talked about my private conversations with the president — and I'm not going to start now."

The vice president said he did not agree with Democrats who say they fear the Lewinsky matter will be a major liability in this year's elections. Asked if he felt beleaguered, he said: "Not at all. Not at all."

Mr. Gore's plan seems to be to stand by his close friend, the president, but not too close. For example, he acknowl-

edged that he did not join Mr. Clinton in recent days in calling leading Democrats on Capitol Hill to reassure them that they would endure the Lewinsky matter.

But Mr. Gore said he was not distancing himself from the president. He said White House aides "didn't ask me to make a bunch of calls" because he was busy with calls on issues such as Russia and the U.S. strikes against targets in Sudan and Afghanistan.

As if to defy those who say the administration is in trouble, Mr. Gore set off on a full round of campaign events. He spoke to schoolchildren at a town meeting in Dayton, Ohio, and attended a fund-raiser for Mary Boyle, the Democratic Senate nominee in Ohio, before going on to more appearances in Chicago.

Jim Ruvoilo, a former chairman of the Ohio Democratic Party, said the Lewinsky matter should be the least of Mr. Gore's worries.

"Gore's running mate is the economy," he said, speaking of 2000, "not Bill Clinton."

## Away From Politics

• The largest privately owned stand of ancient redwoods is to be transformed into a public preserve now that California legislators have agreed on a bill after 12 years of negotiations. Environmentalists and the timber industry remained sharply at odds over the purchase of the Headwaters Forest. (AP)

• Placing tiny amounts of radioactive material in the prostate to treat the early stages of cancer may be as effective over the long run as surgery and more effective than external beam radiation, a new study suggests. Patients treated with this method run a lower risk of urinary incontinence or impotence than with surgery. (AP)

• American infants now have another vaccine to swallow. The Food and Drug Administration has approved the first vaccine against the leading cause of childhood diarrhea. But the real promise of the drug, RotaShield, lies in poor countries, where the intestinal infection called rotavirus kills as many as 1 million children every year. The new drug can cut rotavirus illness in half. (AP)

• High school seniors improved their SAT math scores by one point this year but did no better than last year on the verbal section of the college entrance test. (AP)

• A tropical storm was strengthening rapidly as it moved toward the Gulf Coast. The storm, designated Earl, is expected to become the season's third hurricane. (AP)

• The year between ages 12 and 13 is crucial to forming attitudes toward drugs, a new Columbia University survey suggests. (AP)

## Washington Wary of UN's Cuba Aid Plan

Washington Post Service

UNITED NATIONS, New York — The World Food Program, a UN relief agency, announced Tuesday a worldwide appeal for emergency food aid to Cuba's drought-stricken eastern provinces.

The amount requested by the program's executive director, Catherine Bertini, is small — \$20.5 million — and is aimed at helping 500,000 to 600,000 people in the affected areas whom the United Nations considers "most at risk" from lack of proper nutrition. They are children, pregnant women, breast-feeding women and the elderly.

Despite the modest sum, the request could cause a U.S. foreign policy problem by provoking disagreement between the Clinton administration and the Republican-controlled Congress about the best way to channel humanitarian assistance to Cubans while bypassing President Fidel Castro's government.

A senior U.S. official said Washington was waiting to hear details of how the proposed program would work. Before the United States could consider contributing to the appeal, he said, it would have to be reassured that food aid would go directly to the

people it was intended for and not to the government.

But some members of Congress allied with anti-Castro Cuban-American groups have signaled their intention to try to halt any U.S. donations. They object to working through the United Nations and argue that Washington should channel humanitarian aid only through institutions that they consider fully independent, such as the Roman Catholic Church and its relief organizations.

The weather phenomenon El Niño is considered the cause of the worst drought in four decades in Cuba's eastern farming provinces. Crop losses have overtaxed the already economically hard-pressed government's ability to provide food. Havana appealed to the United Nations for help this summer.

A team from various UN aid organizations reported after a visit to Cuba that rainfall had totaled only 40 percent of average in most of the affected region. In Guanantamo, the most severely affected province, rainfall was running only 10 percent of average.

The team estimated that the resulting crop loss in these areas during 1997 totaled \$60 million. They further estimated the losses this year at \$62.4 million through the early part of the summer. They warned that if the drought continues through this month, the major harvest time, additional losses could be more than \$100 million.

The United Nations put the Rome-based World Food Program in charge of an emergency appeal for other countries to donate foodstuffs that can be shipped to Cuba quickly. The program has run a similar campaign to help relieve the famine conditions in North Korea.

## Report Cautious on Gulf Ailments

Senate Panel Finds Insufficient Evidence of a Link to Gas Exposure

New York Times Service

WASHINGTON — A Senate committee concluded that while the government had many U.S. veterans of the Gulf War, it is insufficient evidence to conclude that exposure to Iraqi nerve gas caused the illnesses reported by thousands of soldiers.

The Senate Veterans Affairs Committee hedged those conclusions after a yearlong and presented them in a 310-page report. Although highly critical of the Department of Veterans Affairs, the committee said they could not

lure, as others have, that nerve gas caused so-called Gulf War syndrome. There is insufficient evidence at this time to prove or disprove that there was actual low-level exposure to any of the health-on-nerve agents or that any of the health-on-nerve agents are experiencing were exposed by such exposure," the Senate panel

luded. At first glance, the report might seem surprising, because the Senate committee — like the House Committee on Government Reform and Oversight and a presidential commission — has been critical of how the Pension and Veterans Affairs Department have

handled soldiers' complaints of illnesses after the 1991 war. It was not clear whether the cautious wording of the report reflected the background of the chairman of the committee, Senator Arlen Specter of Pennsylvania, a former prosecutor.

The House committee concluded last October, after a 20-month investigation, that "a variety of toxic agents in the Gulf War," including Iraqi chemical weapons and pesticides, were probably responsible for the health problems reported by up to 100,000 soldiers.

The presidential advisory committee concluded a week later that the Defense Department had dismissed credible evidence that thousands of Marines may have been exposed to poison gas when they crossed Iraqi minefields.

The Senate panel, in concluding that there was not enough evidence to blame exposure to chemical weapons for the widespread illnesses, nevertheless said the Defense and Veterans Affairs departments had not investigated diligently enough. The report said that the veterans' agency had shown "chronic and pervasive inability to generate valid and reliable data about the Gulf War veterans it serves."

## POLITICAL NOTES

## Chicago Adds Civic Duties To High School Curriculum

CHICAGO — To instill a sense of civic duty in teenagers, the Chicago public school system has become the largest district in the nation to require students to perform community service to receive a high school diploma.

Starting with the sophomore class this school year, Chicago students will need to spend at least 40 hours in public service, such as tutoring young people or helping the elderly, during high school.

As part of the requirement, students must submit what the board calls a "reflection" on their service — an essay, a video project, an oral report — according to the measure passed last week.

"We want students to learn the importance of community," said Bruce Marchafava, a spokesman for the Chicago schools, the nation's third-largest system behind New York and Los Angeles. "They need to know that community is about giving, not just getting."

The notion of mandated community service has been rejected by Los Angeles school officials. While the idea has been raised in New York, J. D. LaRock, a spokesman for the New York City schools chancellor, Rudy Crew, said officials had no plan to consider such a requirement.

Critics of the public service requirement say it can lead to an administrative nightmare. Schools decide what constitutes public service, who is responsible for supervising the young people and whether schools would be liable for harm done to the students or by them.

Education officials here say some of those issues are still being studied, including volunteerism done for groups with political agendas.

"If you let students work for an anti-handgun group," Mr. Marchafava said, "do you also let them work for the NRA?" referring to the National Rifle Association, which advocates gun ownership.

But Chicago school officials, who have gained nationwide attention in recent years for cracking down on misbehavior and imposing a more rigorous academic regimen, insist that those problems are not insurmountable. (NYT)

## When Paycheck Parity Isn't

WASHINGTON — When it comes to being color-blind, gender-neutral, etc., Uncle Sam may be the nation's best big boss.

But when it comes to paycheck parity, geography rules. Doing your federal thing pays better in Detroit than in Richmond, Virginia. Civil servants in Cincinnati are paid slightly more than their counterparts in Washington.

Washington still has more high-grade federal employees and, therefore, a higher average salary than other cities.

Because of locality pay, the government no longer has a one-size-fits-all paycheck policy.

Example: White-collar workers are expected to get a 3.6 percent raise in January. But 3.6 percent would be the average raise, meaning raises could be more or less, depending on where federal employees work.

The actual amount of the pay increase will be determined by the percentage split between national raises (which everybody gets) and locality raises (which everybody does not get) and finally by local private-sector pay.

Most workers do not seem to notice if they get more or less than the advertised average amount. But some — always those who get less — do notice. (WP)

## Quote/Unquote

A. E. Howard, a professor at the University of Virginia, eulogizing Lewis Powell Jr., the retired Supreme Court Justice who died last week at 90 and was buried Monday in Richmond: "Every Supreme Court needs a Lewis Powell. He was ever the gentleman, even when he was interrupting counsel from the bench." (WP)

WWW. PRIME SITES WWW.

List your website and e-mail address in our new "Prime Sites" section every Thursday.

For Rates and Deadlines, contact:

Europe:  
Sarah Wershow  
Tel.: (44-171) 420 0326  
Fax: (44-171) 420 0338

North America:  
Sandy O'Hara  
Tel.: (1-212) 752 3890 or 800 572 7212  
Fax: (1-212) 755 8785

e-mail: The\_INTERMARKET@ihl.com

Great Location  
for Business Travellers

swissotel

ISTANBUL  
THE BOSPHORUS

Contact us direct or your travel agent

Telephone: 00 90 212 511 1000 / 00 90 212 511 01 05 • Telex: 541000 / 541001 / 541002 / 541003 / 541004 / 541005 / 541006 / 541007 / 541008 / 541009 / 541010 / 541011 / 541012 / 541013 / 541014 / 541015 / 541016 / 541017 / 541018 / 541019 / 541020 / 541021 / 541022 / 541023 / 541024 / 541025 / 541026 / 541027 / 541028 / 541029 / 541030 / 541031 / 541032 / 541033 / 541034 / 541035 / 541036 / 541037 / 541038 / 541039 / 541040 / 541041 / 541042 / 541043 / 541044 / 541045 / 541046 / 541047 / 541048 / 541049 / 541050 / 541051 / 541052 / 541053 / 541054 / 541055 / 541056 / 541057 / 541058 / 541059 / 541060 / 541061 / 541062 / 541063 / 541064 / 541065 / 541066 / 541067 / 541068 / 541069 / 541070 / 541071 / 541072 / 541073 / 541074 / 541075 / 541076 / 541077 / 541078 / 541079 / 541080 / 541081 / 541082 / 541083 / 541084 / 541085 / 541086 / 541087 / 541088 / 541089 / 541090 / 541091 / 541092 / 541093 / 541094 / 541095 / 541096 / 541097 / 541098 / 541099 / 541100 / 541101 / 541102 / 541103 / 541104 / 541105 / 541106 / 541107 / 541108 / 541109 / 541110 / 541111 / 541112 / 541113 / 541114 / 541115 / 541116 / 541117 / 541118 / 541119 / 541120 / 541121 / 541122 / 541123 / 541124 / 541125 / 541126 / 541127 / 541128 / 541129 / 541130 / 541131 / 541132 / 541133 / 541134 / 541135 / 541136 / 541137 / 541138 / 541139 / 541140 / 541141 / 541142 / 541143 / 541144 / 541145 / 541146 / 541147 / 541148 / 541149 / 541150 / 541151 / 541152 / 541153 / 541154 / 541155 / 541156 / 541157 / 541158 / 541159 / 541160 / 541161 / 541162 / 541163 / 541164 / 541165 / 541166 / 541167 / 541168 / 541169 / 541170 / 541171 / 541172 / 541173 / 541174 / 541175 / 541176 / 541177 / 541178 / 541179 / 541180 / 541181 / 541182 / 541183 / 541184 / 541185 / 541186 / 541187 / 541188 / 541189 / 541190 / 541191 / 541192 / 541193 / 541194 / 541195 / 541196 / 541197 / 541198 / 541199 / 541200 / 541201 / 541202 / 541203 / 541204 / 541205 / 541206 / 541207 / 541208 / 541209 / 541210 / 541211 / 541212 / 541213 / 541214 / 541215 / 541216 / 541217 / 541218 / 541219 / 541220 / 541221 / 541222 / 541223 / 541224 / 541225 / 541226 / 541227 / 541228 / 541229 / 541230 / 541231 / 541232 / 541233 / 541234 / 541235 / 541236 / 541237 / 541238 / 541239 / 541240 / 541241 / 541242 / 541243 / 541244 / 541245 / 541246 / 541247 / 541248 / 541249 / 541250 / 541251 / 541252 / 541253 / 541254 / 541255 / 541256 / 541257 / 541258 / 541259 / 541260 / 541261 / 541262 / 541263 / 541264 / 541265 / 541266 / 541267 / 541268 / 541269 / 541270 / 541271 / 541272 / 541273 / 541274 / 541275 / 541276 / 541277 / 541278 / 541279 / 541280 / 541281 / 541282 / 541283 / 541284 / 541285 / 541286 / 541287 / 541288 / 541289 / 541290 / 541291 / 541292 / 541293 / 541294 / 541295 / 541296 / 541297 / 541298 / 541299 / 541300 / 541301 / 541302 / 541303 / 541304 / 541305 / 541306 / 541307 / 541308 / 541309 / 541310 / 541311 / 541312 / 541313 / 541314 / 541315 / 541316 / 541317 / 541318 / 541319 / 541320 / 541321 / 541322 / 541323 / 541324 / 541325 / 541326 / 541327 / 541328 / 541329 / 541330 / 541331 / 541332 / 541333 / 541334 / 541335 / 541336 / 541337 / 541338 / 541339 / 541340 / 541341 / 541342 / 541343 / 541344 / 541345 / 541346 / 541347



ASIA/PACIFIC

# Tokyo and Seoul Outraged by North's Missile Test

**Compiled by Our Staff From Dispatches**

**TOKYO** — Japan and South Korea reacted with outrage Tuesday to North Korea's stunning and unannounced test-firing of a ballistic missile, part of which flew over Japanese territory.

Prime Minister Keizo Obuchi met with his foreign minister and his defense chief, agreeing to several measures to punish North Korea, including a halt to food and other aid.

Tokyo also decided to suspend normalization talks, a government statement said after the meeting. Those negotiations had already been broken off by North Korea, however.

Japan will also try to block North Korea's missile development program and exports and attempt to arrange a high-level meeting soon with the United States and South Korea, the statement said.

"I feel extreme regret over the launching of a missile that crossed Japanese territory," Mr. Obuchi said.

"The government will take a resolute, stern attitude, as citizens are very worried."

"The missile launching concerns not only the security of Japan but also the whole of Asia. I will clarify Japan's stance in a stern manner, including how we will act in the United Nations."

The missile, launched just after mid-

day Monday, triggered alarm in Japan after evading its surveillance systems.

"It is fair to say that if they did it intentionally, it could have led to a state of war," the governing party's secretary general, Yoshiro Mori, was quoted as telling Japanese reporters.

Japanese forces sent three naval vessels and a P-3C patrol plane to waters about 580 kilometers (360 miles) northeast of the Pacific coast of Japan's main island to search for the missile head.

A spokesman for the Defense Agency said Tuesday there was a strong possibility that the missile had three stages, rather than the two previously reported.

The first stage was believed to have dropped into the Sea of Japan, the second in the Pacific off Sanniki on the northeast coast of Japan's main island, and the third stage farther away in the Pacific, he said. But he would not say how the agency arrived at those conclusions.

The Japanese Transport Ministry expressed concern that one part of the missile may have passed through busy flight lanes used by commercial planes.

A ministry spokesman said there were seven international flights passing through an area close to where one part of the missile may have landed in open waters off the Pacific coast of northern Japan.

"It is hard to say how much of an actual danger the missile could have been, since we don't know where it came down," the spokesman said, "but from the point of view of commercial flying, it was a potential danger."

The defense minister of South Korea, Cheon Yong Taek, and the chief of the Defense Agency in Japan, Fukuhiro Nakaga,

agreed at a meeting in Tokyo that the two nations would jointly investigate North Korea's weapons program.

"I think the ties between our country and North Korea will grow more difficult from now on," said the Japanese foreign minister, Masahiko Komura.

"We cannot but show our surprise and outrage," a South Korean presidential spokesman, Park Jie Won, said in Seoul.

China on Tuesday called on "relevant sides" to enter negotiations to solve tensions caused by the North Korean test.

(AFP, Reuters)

## Technological Breakthrough

Steven Lee Myers of The New York Times reported from Washington:

North Korea's test of a medium-range missile capable of reaching targets in Japan and beyond represents a technological breakthrough that has raised new fears of the spread of ballistic missiles, administration officials and arms control experts said.

With North Korea's record of exporting missiles and related technology to countries like Iran, Pakistan and Syria, the officials and experts said, they worry that more advanced, longer-range missiles are now within the reach of less developed countries.

"This is serious stuff," a Pentagon official said Monday.

The test Monday was the first of a two-stage missile the United States calls the Taepo Dong-1. It can carry conventional or nuclear warheads, and the Pentagon estimates its range as more than 900 miles, while the Central Intelligence Agency puts it at 1,200 miles.

Until now, North Korea had only succeeded in testing a single-stage missile, the Rodong-1. That missile has a range of 600 miles, but it is considered a relatively unsophisticated version of the Taepo Dong-1.

The officials and arms experts said



South Korea's defense minister, Cheon Yong Taek, meeting Tuesday with Keizo Obuchi, Japan's prime minister, about the missile test.

the test also suggested that North Korea had made real progress in its effort to build a still longer-range missile, the Taepo Dong-2, which reportedly would be capable of traveling 2,400 to 3,600 miles. That would give North Korea the ability to strike targets throughout Asia and as far away as Alaska.

Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control, a research organization, said the test was "a clear sign" of North Korea's intent to develop nuclear weapons, despite its 1994 agreement with the U.S. to stop in exchange for Western assistance.

# Indonesia Rioters Hit Chinese Shops

Compiled by Our Staff From Dispatches

**JAKARTA** — Shouting separatist slogans, stone-throwing mobs attacked Chinese-owned shops for a second day Tuesday in the troubled Aceh Province of Indonesia.

Riot police shot two people to death in Lhokseumawe, an industrial city on the island of Sumatra, residents said. At least 10 people were wounded in the riots, the biggest since unrest in May led to the ouster of President Suharto and his replacement with B.J. Habibie.

Mobs burned buildings, looted stores and hurled stones at military trucks. Ninety inmates were freed when crowds stormed a prison in Lhokseumawe a day earlier.

Two people died in the city when security forces fired at men throwing rocks, witnesses said. A police official, Amrin Remico, said a 14-year-old boy and a 27-year-old man had died, though he did not confirm that police had shot them.

The rioting Tuesday was largely confined to the business district of the city, but there was also some looting in outlying villages.

Rioters shouted "Free Aceh!" at the Indonesian military, which is accused of atrocities during a campaign against Islamic separatist rebels in the province.

The unrest erupted Monday after more than 660 Indonesian soldiers left Aceh in what was portrayed as a conciliatory gesture by the military. As they pulled out, some spectators pelted their vehicles with stones.

The violence ended up targeting the Chinese minority, a traditional scapegoat. Some ethnic Chinese shopkeepers covered inside their shuttered stores as rioters pounded the doors, walls and windows with stones.

"I'm scared," one Chinese shopkeeper, David Liong, said by telephone from his gold jewelry business. "But there are police and soldiers in front of the shop."

His family fled Lhokseumawe earlier Tuesday. The Chinese are resented because they dominate business in Indonesia, which is struggling through its worst economic crisis in three decades.

There are fears that despite democratic reforms, the strain that the economic crisis is putting on millions of poor people could lead to bigger riots.

On Monday, rioters in Lhokseumawe burned a hotel, a discotheque, beauty salons, an office of the governing party and part of a shopping center.

Many stores owned by ethnic Chinese were pelted with rocks, and looters plundered rice, sugar and other basic necessities.

On Tuesday, the police briefly detained at least 50 looters, confiscating their booty, which included tires, soap and shampoo.

Meanwhile, more than 1,000 university students in the second-largest city in Indonesia, Surabaya, demonstrated, seeking to take the government to task for soaring inflation.

"The government has failed to bring down the prices of basic commodities," Mulaji, a student, said during the demonstration, which remained peaceful.

It was the first large-scale student protest in the city since Mr. Suharto resigned.

(AP, Reuters)



A building burning after riots in the Aceh Province of Indonesia. Chinese-owned shops were targeted by mobs throwing rocks and shouting separatist slogans during the rioting.

# Hanoi Frees and Kicks Out Dissident

The Associated Press

**BANGKOK** — Vietnam's most prominent dissident was freed Tuesday and flown to Bangkok, where he expressed a longing to return to his own country to keep struggling for democracy.

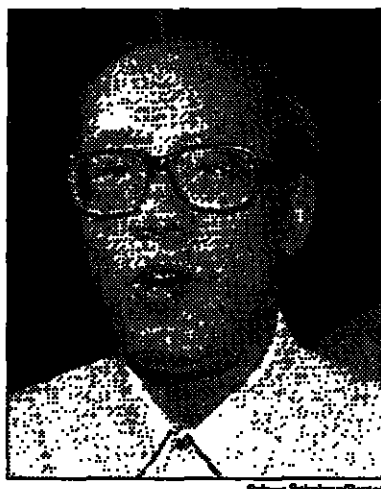
Doan Viet Hoat, serving a 15-year sentence for publishing pro-democracy newsletters, was freed from Hanoi Prison and put on a flight to Bangkok. U.S. officials said they had offered him resettlement.

"I regret that they won't let me stay in Vietnam," Mr. Hoat said when he arrived here. "I don't want to leave my country. I love my country. I want to contribute to freedom and democracy."

Another dissident, Nguyen Dan Que, was also released from prison but remained in Vietnam. He has apparently refused an offer to emigrate to the United States.

The dissidents were released as part of a mass amnesty for 5,219 criminals in celebration of Vietnam's National Day, which is Wednesday.

Officials said Friday that several foreigners, including Americans, were among the criminals released. They mentioned two Vietnamese-Americans convicted of plotting to overthrow the government, Jimmy Tran and Ly Tong.



Doan Viet Hoat arriving in Bangkok after being released in Hanoi.

# Opposition's Last Hope Is Dashed in Cambodia

By Chris Seaper  
Washington Post Service

**PHNOM PENH** — The National Election Committee on Tuesday certified that Prime Minister Hun Sen's party won elections for the National Assembly in July.

Supporters of the opposition parties, camped outside the National Assembly, objected.

The opposition leader Sam Rainsy called the certification a "perversion of the will of the Cambodian people."

From a tent city dubbed "Democracy Square," opposition demonstrators have been appealing for more than a week for international support. They accuse Mr. Hun Sen of being backed by Vietnam.

Since losing the election, the two main opposition parties have refused an invitation from Mr. Hun Sen to form a coalition. A coalition could give his Cambodia People's Party a two-thirds majority in the National Assembly.

Japan, China, the European Union and all the Southeast Asian nations have accepted the election results and have urged the opposition to join the government. Many international observers have dismissed complaints of violence and fraud either as sour grapes or as insufficient to invalidate what was, after all, only the second attempt at democratic elections in Cambodia's history.

But the demonstrators have camped out in a small pocket of land between the Royal Palace and the National Assembly. They wear yellow ribbons for democracy. They taunt Mr. Hun Sen with the slur *aylong yuon*, "Vietnamese puppet."

Thousands of supporters of the opposition marched through the capital on Sunday. Demonstrators smashed and burned a monument to Vietnamese-Cambodian friendship.

The monument was erected during the Vietnamese occupation of the country, from 1979 to 1989.

Some analysts speculate that the demonstrators hope to provoke the government. But the government has not acted against the demonstrators. Mr. Hun Sen has even guaranteed their safety.

In a coup in July, Mr. Hun Sen ousted Prince Norodom Ranariddh from a coalition. Mr. Hun Sen's Cambodia People's Party is assumed to be responsible for widespread violence against the prince's FUNCINPEC party.

In the elections of July 26, the Cambodia People's Party won 64 of the 122 National Assembly seats. FUNCINPEC won 43 seats. Mr. Sam Rainsy's party won 15 seats.

The courts and the National Election Committee rejected appeals from the opposition parties.

The opposition parties had asked, among other things, that voting be held again in some districts. The opposition parties had also asked that some other member of the Cambodia People's Party be named prime minister instead of Mr. Hun Sen.

With little leverage other than their refusal to join a coalition, Mr. Sam Rainsy and Prince Norodom Ranariddh are appealing to the United States in daily speeches at "Democracy Square" to pressure Mr. Hun Sen.

## BRIEFLY

### Aid Slow to Arrive In Wet Bangladesh

**DHAKA, Bangladesh** — Millions of Bangladeshis fought a grim battle Tuesday against the country's worst floods in a decade as the death toll moved past 500.

Bangladesh is increasingly desperate for foreign aid to reach its shores as disease, drownings, mudslides, house collapses and snake bites deepen the nation's misery.

The flooding has killed at least 513 people and left 25 million homeless or marooned. Three-quarters of the country is submerged, disaster management and health officials said.

Pledges of aid have been received from countries including Canada, Germany, Japan and the United States. But officials said virtually all the aid that had arrived by Tuesday were plastic sheets and medicines from Japan. (Reuters)

### Chinese Dissidents Ask to See UN Aide

**BEIJING** — More than 50 Chinese dissidents wrote Tuesday to the UN human rights commissioner, Mary Robinson, requesting a meeting during her nine-day visit to China starting Thursday.

"We believe that the purpose of your trip is to further the work of human rights in China," the letter said. "We appreciate you will have a busy schedule but would like you to choose a few representatives from among China's pro-democracy activists to meet with."

It was signed by 56 dissidents from 16 cities and provinces. Among them were the Zhejiang activists Wang Youcai, Wang Donghai, Zhu Yufu and Zhu Zhengming, who were detained until recently for applying to register their opposition China Democracy Party. (AFP)

### Plan to Fight Fires

**MANILA** — Southeast Asia must soon put in place a plan to combat future forest fires and choking haze, which experts estimate have cost the region \$4.5 billion in economic losses, the Asian Development Bank said Tuesday.

Government and private experts began a two-day meeting here to discuss how to carry out a Regional Haze Action Plan adopted in Singapore in December.

Peter Sullivan, a vice president of the bank, said that experts had declared the haze problem over with the onset of the monsoon rains. (AFP)

# Beijing to Prosecute Officials In Its Smuggling Crackdown

By Michael Laris  
Washington Post Service

**BEIJING** — Declaring that smuggling by government officials has reached dangerous levels, the Chinese authorities have unveiled plans to prosecute corrupt Communist Party, law enforcement and military officials and to create a national anti-smuggling force.

In a closed-door speech delivered to government and military leaders in July and released in part Monday, Prime Minister Zhu Rongji said that rampant smuggling threatened China's economic growth targets and the nation's entire reform drive.

Police officers, prosecutors and soldiers have smuggled everything from cooking oil to cigarettes, chemicals and motorcycles into the country, Mr. Zhu told the audience. He warned that the era of weak enforcement is over and called for the "execution of notorious smugglers in accordance with the law."

"The anti-smuggling campaign is not only a major economic struggle, but also a harsh political struggle," he said.

His speech pointed to a central problem facing China's top leaders. The government's policy of pushing capitalist economic reform without comparable reform of the closed political system has nurtured the corrupt and lawless environment it now is attempting to control with the anti-smuggling campaign. But without a free press or independent judiciary, officials are not accountable to the public.

"The media is still controlled pretty much by the Communist Party, and the party itself is corrupt," said Wang Chi, a professor of Chinese studies at Geor-

getown University. "It's like a chain reaction. When you have corruption, you have smuggling."

"If you have effective political reform — full-speed political reform — then they can check corruption," he added, referring to China's leaders.

Although the government campaign has begun to show signs of slowing illegal traffic along some of southern China's most well-traveled smuggling routes, the long-term effectiveness of such efforts remains unclear.

President Jiang Zemin launched the first public salvo in the anti-smuggling campaign in July, when he called on the army to "strictly investigate problems with some units and people involved with the army and armed police." Army vehicles are not stopped at customs checkpoints and are exempt from paying basic tolls, making them ideal for transporting contraband.

Mr. Jiang also has called on the army to end its massive business dealings. The military has lucrative, but distracting, investments in everything from bowling alleys to Beijing eateries.

In Mr. Zhu's speech — excerpts of which were released by the official Xinhua press agency Monday before a full text was published Tuesday in the Communist Party journal Seeking Truth — the prime minister gave new details of the anti-smuggling drive. He said law enforcement efforts would focus on the waters off the coastal city of Zhuhai, in Guangdong Province, and on the China-Vietnam border region.

Mr. Zhu called on public security bureaus nationwide to crack down on companies operated by Communist Party organizations, the army and the police.

**Escorts & Guides**

**BELGRAVIA**

**ORCHIDS**

LONDON - EUROPE

THE FINEST & THE MOST SINCERE  
18 - 24 INTERNATIONAL  
BEAUTIFUL & ELEGANT  
SECRETARIES, AIR HOSTESSES &  
MODELS • AVAILABLE AS  
YOUR COMPANION 24 HOURS  
Escort Agency CWA's Cards Welcome

TEL: LONDON ++ 44 (0)  
**0171 589 5237**

**HIGH SOCIETY**

The Most Prestigious Escort Agency

Executive Service Worldwide  
Genuine Fashion, Glamour & Class  
Models  
Sociable, Intelligent, Sassy  
Ladies  
Established in Germany, Russia, Paris,  
Osaka, Tokyo, USA  
View Our Fine Ladies in Model Gallery

Web Site: [www.h-s.net](http://www.h-s.net)  
HQ London Tel: +44(0)7000 44478

**international ESCORTS**

World's top international agencies  
New York US HQ: 1-212-765-7896  
OFFICE INTL. ESCORTS.COM

**SWITZERLAND-GERMANY**  
**BELGIUM-LUXEMBOURG-UK**

+31-20-427 28 27  
Zurich-Geneva-Basel-Bern  
Frankfurt-Wiesbaden-Cologne-Bonn  
Düsseldorf-Munich-Hamburg-Berlin  
Brussels-Amsterdam + Luxembourg  
TRAVEL SERVICE WORLDWIDE

LONDON: (0)171-878 6806  
COSMOS Escort Agency - Credit Cards

**ARISTOCATS Escort Service**  
Beautiful Exotic Models  
3 Shoukham St. London W1  
London Tel: 0171 259 0090

**PARIS**  
service@euro-escorts.com  
+33(0)1-528-221 / +33(0)1-528-124

European Jet Set • VIENNA • PARIS  
RIVERA • MUNICH • ZURICH • LONDON  
ROME • MILAN • DUSSELDORF • Cards  
Vienna ++43-1-710 60 55 Escort Service

**HIGH SOCIETY VIENNA-PARIS**  
RIVERA • ZURICH • GENEVA • MUNICH  
International Escort & Travel Service  
Vienna ++43-1-528 41 04 all credit cards

**EUROCONTACT INTL.**  
PARIS • VIENNA • ZURICH • LONDON  
RIVERA • BRUSSELS • GENEVA • VIENNA  
MILAN • ROME • GERMANY • PRAGUE  
COPENHAGEN • HELSINKI • ATHENS  
Escort Service Vienna ++43-1-528 41 0431

**LONDON'S STARS**  
Escort Service  
First Ladies for Discerning Gentlemen  
Tel: 0171 584 2230 credit cards

**PARIS**  
Genuine Escort Agency ++41 70 5377884

**CHELSEA ESCORT SERVICE**  
51 Beauchamp Place, London SW1  
Tel: 0171-584 6513

**GUYS & DOLLS ESCORT SERVICE**  
MILAN/ROME/ITALY/ATHENS/PARIS  
BRUSSELS/GERMANY/SWITZERLAND  
COTE D'AZUR/SCANDINAVIA/SPAIN  
Tel: +39 (0) 359 819 0438 Credit Cards

**"GATSBY" ESCORT SERVICE**  
A selection of the very finest. Discreet,  
sophisticated, charming and friendly  
Elegance and a service second to none.  
London Tel: 0171 243 2104

**ELIZABETH: STUNNING BEAUTY.**  
Charming escort service. Intellectual,  
irresistible personality. Good Sense of  
Humour. Mayfair 0439 553598

**A YOUNG BRAZILIAN BEAUTY**  
Friendly, Exotic, Charming Companion  
London Escort Service 0901 579 589

**AIRPORT - FRANKFURT - MAINZ**  
"CHARLEY'S" ESCORT AGENCY  
MOBILE PHONE 0171 755 86 999

**ALL SPAIN & ISLANDS**  
NINA First Class Escort Service.  
Tel: 029 70 86 73 CARDS

**AMARON: beautiful & sophisticated**  
Escort Service. A must for your special arrange-  
ments. Frankfurt Tel: +49(0)171-82 4552

**AMSTERDAM • DREAMS • ESCORTS**  
and Dinner Date Service for Men or Her.  
Tel: +31 (0) 20-54 02 655 or 04 02 111

**"BERLIN - FRANKFURT - ZURICH"**  
"CARISMA" ESCORT AGENCY  
Tel: 0049-69 60 70 77 - Credit Cards

**A FIRST CLASS Escort Service**  
"LONDON" HEATHROW  
Tel: 0171 225 2547 (Pais)

**BERLIN - "MARIOW"**  
Private Escort Service  
Tel: 0172 - 301 45 85

**BLACK BEAUTY ESCORT SERVICE**  
Exclusive Elegant Escorts & Friendly  
London & Heathrow. 0181-2703363 Cards

**CONNOISSEUR NEW YORK** Escort  
service including beautiful, charming,  
sophisticated models. 212-679-1871

**DUSSELDORF**  
Lux. Model, charming, intelligent Escort  
Service. Tel: +49(0)172-78 67 452

**DUSSELDORF • ELEGANCE**  
Private Escort & Travel Service  
Tel: 0211 - 435 05 87

**"FLORENCE"**  
SELECTIVE ESCORT SERVICE  
LONDON only 0171 252 2555 All cards

**HOLLAND ESCORT CLUB**  
For her and you. Escort service since  
1957. Tel: +31(0)20 623 1544/423 3227

**"JADE" - Top Model**  
First Class Escort Service  
Zurich Tel: 079 677 74 01

**JUL - BEAUTIFUL, sophisticated, Black**  
model. Private Escort Service. Chelsea -  
0801 765 383

**LUCIFER**  
Casual Jones Escort Service.  
Tel: 0041-01-940 24 22

**NEW STUNNING & CHARMING BLOND**  
Private Escort Service.  
London: 0171 584 3977

**YVONNE - VERY PRETTY Blonde** Star-  
ling Figure. Private Escort Service.  
London: 0439 258 772

**"ZURICH"**  
Caroline Escort Service.  
Tel: 079 / 403 30 81

**ARTS & ANTIQUES**

Appears every Saturday. To advertise contact Sarah Wendell  
in our London office: Tel: + 44 171 420 0326 / Fax: + 44 171 4200338  
or your nearest IHT office or representative.

**Herald & Tribune**

THE WORLD'S LEADING NEWSPAPERS

كلنا من الامل



## EUROPE

## U.S. Hopes Fade On Bosnia Voting

### Albright Links Aid to Policy Gain

By R. Jeffrey Smith  
Washington Post Service

**SARAJEVO, Bosnia-Herzegovina** — With crucial elections nearing in this ethnically divided country, some of the Western nations over-seeing Bosnia's governance have put off trying to accelerate the pace of political reform for fear of inflaming nationalist sentiment and inadvertently promoting a victory by opponents of ethnic reintegration, senior U.S. officials said here Tuesday.

But this lull will end once the results of the Sept. 12-13 presidential and parliamentary elections are in, the officials predicted.

They pledged that Washington and its allies would devote new energy to Bosnia's numerous problems and resume pressure on politicians or communities that attempt to obstruct implementation of the 1995 Dayton agreement that ended the Bosnian conflict.

Secretary of State Madeleine Albright and Robert Gelbard, who is President Bill Clinton's top envoy for Bosnia matters, outlined an aggressive post-election agenda in two days of private meetings Sunday and Monday with Croatian, Muslim and Serbian officials, according to Mrs. Albright's advisers.

Mrs. Albright warned in particular that Washington planned a review of all existing U.S. aid programs to determine whether the recipients were still worthy of funding, the officials said.

Those who are not meeting key benchmarks set by the West — particularly a demand to accelerate the return of hundreds of thousands of refugees to their prewar homes — will be cut off, Mrs. Albright said.

"Aid is a privilege, not an entitlement," she emphasized while standing next to the Bosnian Muslim leader, President Alija Izetbegovic.

Mr. Izetbegovic, a strong nationalist, is expected to win re-election as one of the country's three presidents.

Mr. Albright's decision to stop over here and issue these warnings — on her way to take part in Mr. Clinton's meeting in Moscow with President Boris Yeltsin — underscores U.S. concern over the elections in Bosnia.

Washington had once hoped the voting would sweep younger and more progressive politicians into office, but now it seems unlikely that the elections will have much impact on the lineup in the Croatian-Muslim federation.

Officials said, for example, that Kresimir Zubak, a Croatian politician who recently broke with nationalist Croats

to endorse the Dayton accord, is not expected to defeat Ante Jelavic, who represents the ruling Croatian party.

American officials say they still hope for more positive results in the Serbian Republic of Bosnia, which is now widely viewed by the U.S. as the most supportive of the Dayton accord.

They predict that a moderate political coalition there, led by President Biljana Plavsic, will increase slightly the number of parliamentary seats it controls.

But no matter what the outcome, Washington's wariness about pushing too hard for reforms and antagonizing rightist voters will dissipate shortly, the officials said.

New pressure will be brought against Mr. Izetbegovic to accelerate financial reforms in Bosnia so the country can be weaned from the billions of dollars in international aid that now props up its economy.

A U.S. official said that President Franjo Tudjman of Croatia, who Washington says is interfering with free expression in Bosnia and the development of independent media in Croatian-held areas, will be forced to give up his political control over television transmission towers in Bosnia, or NATO forces will seize the towers.

Even the issue of arresting the wartime Bosnian Serbian leader, Radovan Karadzic, will once again be back on the agenda for NATO, the official predicted.

Mr. Karadzic was indicted by the UN war crimes tribunal at The Hague on charges of crimes against humanity.

The end of the election season may also raise the prospect of tougher action by the West to stop a Serbian offensive against ethnic Albanians in the province of Kosovo, the official said.

A snag in the planning might arise from a report involving policy dissent by Mr. Gelbard.

A blunt-spoken adviser, he has told friends that he is frustrated by what he sees as the Clinton administration's reluctance to pursue a more aggressive policy in Kosovo and that he is considering leaving the State Department after the Bosnia elections.

#### Report Upsets Gelbard

Mr. Gelbard angrily denied a Washington Post report Tuesday that he might quit his post in protest over U.S. policy in the region, Agence France-Presse reported.

"That is totally false," Mr. Gelbard said, after the report said he was considering leaving the State Department.

Mr. Gelbard said he would demand a retraction.



A shrouded relative of a terrorism trial defendant arriving Tuesday at a prison gymnasium in Evry, outside Paris. A total of 138 persons are facing charges of links to groups giving material and financial support to Islamic extremists fighting the Algerian government.

## BRIEFLY

### France Begins Trial of 138 Linked to Terror in Algeria

**EVRY, France** — The biggest trial ever held in France involving Islamic terrorist networks opened Tuesday outside Paris with 138 people accused of backing fundamentalists in Algeria.

Those in the dock, 27 of them detained for almost four years, are accused of aiding and abetting terrorism. If convicted, they face up to 10 years in prison.

During the two-month trial, the prosecution will focus on the suspected links between the 138 and three French-based networks uncovered between 1994 and 1996 that provided logistical support for Islamist extremists in Algeria.

About 80,000 people have died in the North African nation since militants took up guerrilla warfare after the cancellation of 1992 elections.

Early in the evening, almost all of the 138 defense lawyers walked out, calling the trial "shameful" and "a masquerade." They say the proceedings are a "political trial" for France to show support for Algeria's military-backed regime. (AFP)

### Cyprus Counters Denktash On a Confederation Idea

**NICOSIA** — Cyprus began a campaign Tuesday to counter a call by the Turkish-Cypriot leader, Rauf Denktash, for a confederation of equal states on the divided eastern Mediterranean island.

"Under no circumstances can Mr. Rauf Denktash's proposal form a basis for talks, as it is un-

acceptable right from the start," said Prof. Glavko Klerides, who is in South Africa. The Cypriot president's reply "has been circulated to all Security Council and other UN members," said Christodoulos Christodoulou, the acting foreign minister of Cyprus, which is predominantly Greek-Cypriot. (AFP)

### New Penal Code in Poland

**WARSAW** — Poland's new penal code took effect Tuesday, scrapping the death penalty and introducing measures that the government hopes will improve the work of the country's often inefficient courts.

The code, stiffening a range of penalties while liberalizing those for many less grave crimes, adjusts criminal law and court procedures to the standards of the European Union, which Poland hopes to join in 2003.

A key change is the final scrapping of capital punishment despite the objection of a majority of Poles, who are appalled at a huge rise in crime since 1989, even though it is still below Western European levels. (Reuters)

### Swedes Lean to Opposition

**STOCKHOLM** — The majority of Swedes would prefer the opposition leader, Carl Bildt, as prime minister rather than the current leader, Goran Persson, a survey by the polling concern Skandinavisk Opinion, or SKOP, showed Tuesday.

The poll of 1,019 Swedes between Aug. 4 and 24 found 53 percent of people questioned thought Mr. Bildt was best suited to be prime minister. Sweden holds a general election on Sept. 20. (Reuters)

# Let's talk on a first name basis.

ON 1 SEPTEMBER, ALCATEL ALSTHOM BECOMES ALCATEL

On 18 June 1998, Alcatel Alsthom's shareholders decided that on 1 September, the group would be renamed Alcatel.

The decision reflects Alcatel's focus on telecommunications and related cables and components activities.

Today, Alcatel is helping people to communicate more easily, more efficiently and more quickly.

So it is clearly time for you to call us by our first name.

www.alcatel.com

ALCATEL

The Hi-Speed Company

## Belgium to Open Trial Over Military Bribery

Compiled by Our Staff From Dispatches

**BRUSSELS** — The French aeronautics executive Serge Dassault and Willy Claes, the former NATO secretary-general, will be the star witnesses in a corruption trial over military contracts that is due to open Wednesday.

They and 10 prominent Belgians have been summoned to appear before the country's highest court, the Supreme Court of Appeals, in a multimillion-franc bribery case. The trial is expected to go on into December.

The defendants are charged with corruption and involve allegations that Dassault Electronique SA and Agusta SpA of Italy paid millions of dollars in kickbacks to Belgian political parties in the late 1980s to secure military contracts.

The long-running scandal has discredited Belgium's political class, caused the downfall of several ministers, and is linked to the suicide of a former chief of staff of the Belgian Air Force, General Jacques Lefebvre.

The scandal also forced Mr. Claes to resign as head of the North Atlantic Treaty Organization in 1995 after the Belgian Parliament stripped him of immunity.

The trial could deal a blow to Belgium's Socialist parties, in the government coalition with Christian Democrats, as they prepare for the general election next June.

Three former ministers and a former Socialist Party treasurer are among those who will answer charges.

Mr. Claes was economic

affairs minister at the time the alleged bribes were paid. He denies charges of passive corruption, or failing to intervene, and forgery in comparing rival bids.

Guy Coen, then defense minister, and Guy Spitaels, head of the Francophone branch of the Socialist Party, are similarly accused.

The defendants could be subject to prison terms, suspended sentences or fines.

Gifs were reportedly paid to Belgium's two Socialist parties, the Francophone and the Flemish, in 1988 when Belgium purchased 46 Agusta helicopters, then again in 1989 when Dassault Electronique, a subsidiary of Dassault Industries SA, was given a contract to modernize the Belgian Army's F-16 fighter jets. The deal with Dassault, known as the Carapace contract, was valued at \$190 million.

The Flemish Socialist Party reportedly received 51 million Belgian francs (\$1.4 million) from Agusta and 60 million francs from Dassault. Their Francophone counterparts meanwhile were supposedly given 30 million francs by Dassault.

The 10 Belgian defendants are charged with passive corruption for failing to intervene, some in both the Dassault and the Agusta deals, which explains the joint trial.

Mr. Dassault is implicated only in the Dassault case, along with the man named as his Belgian intermediary, Alfons Poelincx, a lawyer.

(AFP, Reuters)



## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Investors on the Run

For most of the past decade, the individual U.S. investor has been a bulwark against panic in world financial markets. When money managers got scared and started selling, it was individuals who bought, believing that all declines, like the 1987 crash, were buying opportunities. Now that appears to be changing. The flood of selling that hit Wall Street in the final hour of trading on Monday bore the imprint of Main Street concern. Some reports indicated that a good part of the selling came from mutual funds, which presumably were reacting to redemptions by fund investors. During that hour the Dow Jones industrial average fell 320 points to end the day with a loss of 512 points, or 6.4 percent.

This plunge, which has affected markets around the world, comes at a time when the global economy looks shakier than it has in years. With Asia in recession and worried investors reluctant to supply financing to developing economies, worldwide economic growth is weak and getting weaker. Scenarios from the 1930s, in which country after country devalues its currency, seeking trade advantages but instead impoverishing the world, seemed outlandish only a few months ago. Now they seem less implausible. Russia's share of the world economy is tiny, but its decision to effectively renounce its debts to

investors crystallized investor fears.

In isolation, the declines in the major U.S. stock averages would not be cause for concern for policymakers. The Dow and the Standard & Poor's index of 500 stocks are down less than 20 percent from their mid-July peaks, and are well above where they were a year ago. But they are merely the last to fall. Smaller U.S. stocks have done much worse, as have most world markets.

Rallies are always possible, but this is a slide that the markets are unlikely to end on their own. Faith in the ability of governments and central banks to keep the world economy on an even keel is vanishing. What is needed from the major economies now are policies that will sustain consumer demand while fixing financial systems that have been badly damaged by excessive credit given out during booms. So far, the signs that governments are up to the task are limited at best. Russia is broke and has a paralyzed political system. Japan is rich but its political system also seems to be unable to act effectively.

Robert Rubin, the treasury secretary and a man who prospered as a trader in financial markets, said on Monday that the Group of Seven countries were conferring on the problems. They need to mount concerted action to prevent economic contraction.

—THE NEW YORK TIMES.

## Russia at the Brink

Boris Yeltsin's hastily arranged deal with the Communists over the weekend was troubling, but Sunday night's sudden collapse of their bargain could prove even worse. Its first negative consequence was Monday's parliamentary rebuff to Mr. Yeltsin's nominee for prime minister, Viktor Chernomyrdin. Russia is left without a government at a moment when urgent action is needed to check the country's vertiginous financial free fall. A prolonged vacuum in Moscow could fracture the geographically sprawling Russian Republic.

Such a troubled country would be an uncertain environment for a politically healthy U.S. leader. Bill Clinton, in his weakened state, runs the risk of appearing ineffective and surrounded by chaos wherever he turns. Yet, having chosen not to postpone his trip, he has to address the crisis that swirls around him in Moscow. He must speak forthrightly to the Russian people and to Russia's rival political leadership.

Monday's 251-to-94 parliamentary vote against Mr. Chernomyrdin is part of a bargaining process that could still produce agreement between Mr. Yeltsin and the Communist-dominated legislature. The Communist leader, Gennadi Zyuganov, rejected the political truce his subordinates worked out because he feared that once Mr. Chernomyrdin was confirmed, Mr. Yeltsin might renege on his commitment to yield some presidential powers. Mr. Chernomyrdin has two more chances to be confirmed before Mr. Yeltsin can call new parliamentary elections. The Communists presumably will use those

votes to bargain for firmer guarantees. But Russia has no time for such gamesmanship. Confidence in the ruble and the government's ability to pay its obligations, including salaries, is near zero. Private foreign investors are pulling out. Russia needs infusions of money from Western governments, but they are saying that no new help will be forthcoming until Russia has a stable government with a serious economic program.

The most urgent task facing the next Russian government is not repaying foreign bankers or politically powerful domestic tycoons. It must regain the confidence of Russia's people, many of whom, including soldiers and nuclear scientists, have not been paid in months. Assuaging their anger will require the cooperation of all three elements battling for power in Russia—Communists, business barons and Western-oriented reformers. All stand to lose if the current disintegration proceeds. They need to coordinate their efforts under the leadership of Mr. Yeltsin and Mr. Chernomyrdin to pull Russia back from the precipice.

This is primarily a challenge for Russian politicians. But President Clinton, while there, should take every opportunity to encourage the Russian people and tell Russian leaders that they can no longer look to Western bailouts as a way to avoid fundamental economic challenges at home. If he cannot command the respect that once was his, he can at least reassure with necessary candor.

—THE NEW YORK TIMES.

## North Korean Defiance

North Korea is outdoing itself. In barely a week's time it has been caught building a secret underground nuclear facility and now it has conducted a test of a new longer-distance missile. The North Koreans even had the effrontery and the foolishness to fire the second stage of this missile across sovereign Japanese soil—an unmistakable attempt to intimidate a nervous neighbor and, indirectly, its patrons.

The Stalinist regime's purpose seems clear. As it admits, it has little else of value to export except the weapons it has accumulated to sustain its self-isolating hedgehog pose. Its missile exports, put at \$1 billion a year, go to the rule-breaking countries, including Iraq, Iran, Syria and Pakistan. The negotiation on freezing its bomb capabilities that it has been conducting with a group of countries led by the United States amounts to a demand that it be paid off for doing the wrong thing—for rule-breaking. It becomes an increasingly keen question whether accession to such a demand would be more of an incentive to cheat or to comply.

Ordinarily, in a negotiation, the arbitrary and hostile raising of the stakes by one party, which is what North Korea is doing, would be taken as a sign of bad faith and would cast into doubt the party's commitment to the stated

goals of the negotiation. In this case the North Koreans are able to argue that Japan, South Korea and the European Union, as well as the United States, have been slow to pay as promised for the light-water nuclear power reactors and the fuel oil that make it possible for Pyongyang to renounce its nuclear ambitions. But what slows those countries down is less bad faith than understandable cash flow problems and, at root, the sickening feeling that North Korea is playing them for a fool.

Some suggest that the anti-proliferation countries should be more sympathetic to the political requirements of Kim Jong Il as he reaches to consummate a transition from heir apparent to leader in his own right. This is absurd. The leadership of North Korea, whatever it is, has assumed national compliance obligations which, if they are not fully binding, are valueless.

The notion that North Korea's defiance is a device intended to extract concessions from Washington may have some truth to it. It puts an extra burden on the Clinton administration to show that no concessions are available by that route. If that threatens to upend the whole negotiation—and it may—then North Korea alone will have to account for it.

—THE WASHINGTON POST.

## Time to Lower Interest Rates and Rein In the IMF

By Stephen S. Roach

NEW YORK — There can be little doubt that world financial markets are now in full-blown crisis. With yet another black Monday taking the Dow down 513 points, a sense of despair and desperation has set in.

Global currency contagion has run rampant, from Thailand to Russia and all too many points in between. The IMF seems to be out of bullets. Investors are stripping risk from their portfolios. Is there a way out?

Resolving the crisis depends on why the market started to plunge in the first place. Did inherent flaws in the world economy cause the crisis? If so, a collapse of global activity could certainly be in the offing, leading to an outbreak of global deflation. Or was this crisis simply caused by a panic among investors and the inherent instability of financial markets?

Put another way, are countries completely insolvent, or are they just suffering from a temporary lack of funds?

Worldwide deflation cannot happen without a collapse in demand. For example, in the early 1930s world production and trade fell by 5 to 10 percent annually. Such a collapse is highly unlikely today. World GDP is likely to

increase by 2.3 percent in 1998, even with the crises in Asia and Russia.

In the full-blown global recessions of the past, GDP usually increased by only about 1.5 percent a year. In other words, markets around the world may be crashing, but the global economy is probably not. That suggests that the market's reaction to fears of global depression and deflation are overblown.

Indeed, before the steep market declines of the last several days, there were signs of healing in Asia. International financing positions as measured through the balance of payments went from deficit to surplus—having the effect of transforming these countries from borrowers to lenders in world financial markets. Foreign companies were beginning to buy Asian enterprises at significantly reduced prices, thereby providing capital to previously bankrupt businesses.

But, given the events of the past several days, these market-driven solutions are no longer enough. Fear and panic in financial markets sometimes take on lives of their own, and that is

now the risk. In these circumstances, the United States and other leading industrial countries, as well as the IMF and the World Bank, should take action that restores investor confidence.

The time for a coordinated international response may now be at hand. Such an effort will need to include two important ingredients.

First, all major central banks except Japan's must reduce interest rates. In return for being relieved of this responsibility, Japan would have to accelerate its financial reforms.

Second, the IMF must rethink its "rescue tactics." Specifically, it must relax its fiscal austerity requirements—for instance, the mandate that governments cut spending—and recognize that it is time to put banking reform on hold because it denies the expansion of credit to borrowers at precisely the time they need it.

In short, central banks and the IMF both need to focus squarely on crisis containment and put tangential considerations aside. Financial markets would probably respond quite favorably.

In Japan and Russia, however, the impact on the financial markets would be more limited. That is because both

countries suffer from more fundamental structural problems—Japan's credit crunch and Russia's inability to collect tax revenue—and thus require more radical solutions.

Indeed, a world in crisis requires many of us to think the unthinkable. For example, I had long felt that the Federal Reserve's next move should be to raise interest rates; now I believe it should reduce rates to stem the crisis.

But the Fed cannot be expected to do the job alone. This must truly be an international effort.

There are risks in this approach. Lower interest rates would boost domestic demand in an already rapidly growing and fully employed U.S. economy, setting the stage for a prompt policy reversal once the crisis subsides. Such an outcome, of course, is reminiscent of the Fed's policy whipsaw in the aftermath of the crash of 1987, when interest rates were reduced by three-quarters of a point and then raised by three points the following year.

The writer is chief economist for Morgan Stanley Dean Witter. He contributed this comment to The New York Times.

## A Global Mess, and the Leaders Don't Seem to Know What to Do

By Robert J. Samuelson

WASHINGTON — The sell-offs in world stock markets do not simply reflect a nervous reaction to Russia's turmoil or a long overdue "correction." They signify a gathering fear that the global economy is drifting toward a dangerous slump, driven by forces that world leaders only vaguely understand and seem powerless to affect.

U.S. Treasury Secretary Robert Rubin and Federal Reserve Chairman Alan Greenspan give little hint publicly that they grasp the threat or know what to do about it.

Japan's recession is its worst since World War II. Latin America's economies are slowing. Russia's depression hurts its East European trading partners. China is slowing. Together, these areas represent almost half the world economy's output. The United States

and Europe, with 40 percent of global GDP, cannot easily escape the fallout.

Given today's prosperity, Americans are naturally disbelieving. Unemployment is 4.5 percent. Inflation barely exists. Exports are only 12 percent of U.S. GDP. But economists (and others) often blunder by projecting the present into the future. America's prosperity is precarious precisely because things can't get better; they could easily get worse.

The economic expansion began in 1991. Americans have already bought lots of cars, computers and clothes. Consumer debt, including home loans, is high. The personal savings rate is less than 1 percent.

Until recently, the jubilant stock market made Americans feel wealthier. They are spend-

ing some of their stock profits. Now, lower stock prices could dampen confidence and consumer spending, which is two-thirds of GDP. Exports are already weakening; rising imports further imperil domestic production. Why then would companies continue to increase investment? A recession is clearly possible.

And a U.S. slump would compound everyone else's problems. The United States is the world's largest importer, and other countries, from South Korea to Brazil, need to export to recover.

Lower interest rates would improve the outlook. The Fed should cut rates by at least half a percentage point. Lower rates would ease debt burdens and help sustain consumer spending and home buying.

The reason to lower rates is not simply to give the U.S. economy a shove. It is also to counteract capital flight out of other countries, which is now spreading economic distress around the globe.

Capital flight imposes austerity. Countries raise interest rates to entice investors to keep funds in local deposits, or to dampen economic growth. A slumping economy cuts imports and saves foreign exchange reserves. Many countries are now succumbing to this cycle.

Canada's central bank recently raised interest rates by a percentage point to stop the Canadian dollar's slide. Earlier, India increased rates from 5 to 8 percent. What makes sense for one country can, if done by too many, cause a calamity. Lower U.S. interest rates would relax these pressures. But lower U.S. rates, by

themselves, probably cannot stop capital flight and its fallout. And this creates a catch-22: Individual countries cannot recover until the world economy improves, and the world economy will not improve unless many individual economies do.

What is to be done? Good question.

The IMF and the U.S. Treasury have treated each ailing economy as an isolated case in need of "reform." Larger problems—capital flight, global growth—have been ignored. Meanwhile, political leaders in the United States, Japan and Germany are weak.

The result is an intellectual and political vacuum. Why shouldn't the world's stock markets be nervous? The wonder is that it took them so long to get that way.

Washington Post Writers Group.

## Strains From Russia's Crisis Put the Federation at Risk

By Susan Eisenhower

WASHINGTON — The heart of the political fight in Russia is not only about what measures should be taken to stabilize the economic situation but also about what effect they will have on keeping the disparate constituencies of the Russian Federation squarely behind Moscow's new policies.

Without such considerations, ethnic and regional-based splintering could threaten the viability of the Federation.

The IMF's tight monetary policy adopted by the Russian government worked near miracles in bringing down inflation, from 2,500 percent in 1992 to 11 percent this year. Nevertheless, without capital for industrial retooling, factories fell idle. And the government, anxious to meet IMF budget-balancing targets, defaulted on salary payments to workers all across Russia, creating a massive internal debt.

People were forced to barter goods, a survival mechanism useless for producing taxable

revenues that could help alleviate the government's cash crisis. The vicious circle that ensued drove millions of people into abject poverty and helped bring about the current crisis.

Western advice and aid curbed inflation—something of critical interest to the foreign investors who, unfortunately, rarely financed projects beyond Moscow or St. Petersburg—but many Russians now understand that these loans and credits tied Moscow's hands in dealing with the country's own unique problems.

The IMF "bailouts" were enough to obligate Russia to carry out Western-designed programs, but not enough to do the job. Total Western assistance to Russia has been a fraction of what West Germany has spent in East Germany since unification. If the IMF money seemed like an indispensable lifeline for some, the steep price of it is now becoming apparent.

The failure to reach a balanced policy between inflation fighting, social protection and industrial retooling brought about a constitutional crisis in 1993, followed in the next few years by a Communist revival in the Duma and a growing alienation between Moscow and the country's regions.

Tight monetary policy and the ensuing debt crisis broke Moscow's control of many outlying regions, as factories and defense enterprises in single-plant towns closed and the Russian military and other workers went unpaid.

Regional leaders were left holding the bag. The result has been to empower the local leaders who have picked up the slack, emboldening some to devise policies quite different from those being formulated in Moscow.

Today, many of the military garrisons outside Moscow have more loyalty to the regional

bosses who feed them than to the federal government that is supposed to issue their orders. There was a rumor that during the miners' strike earlier this year, President Boris Yeltsin called out the troops to break up the civil unrest, but they refused to follow orders.

Alexander Lebed, presidential hopeful and governor of the Krasnoyarsk region, warned that this rupture of federal relations with Russia's regions and republics could prompt the army to mutiny and inspire the regions to break away from Moscow because the central government has failed to meet its financial obligations to them.

In many regions, the security forces, the executive powers and the people are all in the same foxhole," he said last week.

Centrifugal forces have also been exacerbated by ethnic strife within the Russian Federation. The government's rising debt to its impoverished regions has made some of them vulnerable to competing outside influences.

Since the disastrous war with Chechnya, which ended in 1996, the mainly Muslim regions of Russian's North Caucasus have become increasingly violent and unstable, as Wahabists, followers of a conservative sect of Islam practiced in Saudi Arabia, have challenged the status quo.

In Chechnya this past June, fighters supporting the Chechen leader Aslan Maskhadov battled the Islamic paramilitaries. And later, President Maskhadov himself narrowly avoided death when a car bomb exploded.

In the past two weeks, while

Mr. Yeltsin and his ever-changing team were dealing with the financial crisis, three villages in Russia's Dagestan declared their intention to secede from Russia to form a "separate Islamic territory," using strict Islamic Sharia. This move by "extremist forces," the government of Dagestan said, poses "a threat to the security of Dagestan, to its unity and integrity, which could have tragic consequences."

The radical secession is said to come from intense pressure exerted by forces within neighboring Chechnya.

A few days later, on Aug. 24, Mr. Yeltsin appealed for calm in Dagestan after his spiritual leader was assassinated, along with his brother and his driver. "The murder of Dagestan's mufti is not only a monstrous crime for which there is no justification," Mr. Yeltsin's telegram said. "It is the latest attempt to destabilize the social and political situation in the republic and in the entire North Caucasus."

Complex and interlocking events are taking place in Russia, which could only get worse if the Duma and the presidential apparatus do not find an immediate solution to the political deadlock in Moscow.

It is vital that President Bill Clinton use his time in Moscow not for issuing lectures but for active listening. America's ability to help shape solutions in the future may depend on it.

The writer is chairman of the Center for Political and Strategic Studies, in Washington. She contributed this comment to The Washington Post.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: Sudan Battle

LONDON — Day by day interest in the Sirdar's advance deepens. The latest information concerning the movements of the Anglo-Egyptian army is dated Tuesday [Sept. 30]. The Sirdar's force being close to Korti, it is likely that the remaining dozen miles to Omdurman were covered by yesterday. It is certain that Sir Herbert Kitchener has by this time brought his army up to the Khalifa's stronghold, and the receipt of telegrams conveying news that the attack has begun cannot be a question of more than a day or two.

## 1923: War Fever

ROME — While Signor Mussolini has assured that the landing of Italian troops in Corfu is not an act of war, the Italian papers are busy publishing news of feverish warlike preparations. Explaining Italy's action in re-

gard of Greece, Signor Mussolini says: "To the just demands formulated by Italy after the barbarous murder of the Italian military delegation in Greek territory, the Hellenic Government replied in terms which amount to a complete rejection. Italy does not intend to accomplish an act of war, but only to safeguard her own prestige."

## 1948: Mitchum Held

HOLLYWOOD — Film actor Robert Mitchum, actress Lita Leeds and dancer Vicky Evans were arrested on a narcotics charge by police who raised the marijuana party. "This is my career, my home and my marriage," Mitchum said. He was taken into custody by officers who said they caught him smoking a marijuana cigarette. Their sentences could range from ninety days to ten years.

**Herald Tribune**  
ESTABLISHED 1887  
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER  
Co-Chairmen of the Board  
PETER C. GOLDMARK JR., Chairman and Chief Executive Officer  
RICHARD WOOLDRIDGE, President and Chief Operating Officer  
MICHAEL GETLER, Executive Editor  
WALTER WELLS, Managing Editor • PAUL HORVITZ, Deputy Managing Editor  
KATHERINE KNORR and CHARLES MITCHELLMORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages  
JONATHAN GAGE, Business and Finance Editor  
RENÉ BONDY, Senior Vice President and Chief Financial Officer  
DIDER BRUN, Circulation and Development Director  
STEPHEN DUNBAR-JOHNSON, Advertising Director  
Directeur de la Publication: Peter C. Goldmark Jr.  
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92321 Neuilly-sur-Seine, France.  
Tel: (1) 41.43.93.02. Fax: (1) 41.43.92.10. Advertising: (1) 41.43.92.12. News: (1) 41.43.93.38.  
Internet address: http://www.ihf.com E-Mail: ihf@ihf.com  
Editor for Asia: Michael Richardson, 2, Century Rd., Singapore 119901. Tel: (65) 772-7768. Fax: (65) 774-2314.  
Mex. Dir. Adm. Nigel I. Dabney, 21201, 101 Ave. Road, Hong Kong. Tel: 852-2522-1188. Fax: 852-2522-1190.  
Gen. Mgr. Germany: T. Schiller, Friedrichstr. 15, 10117 Frankfurt 15, Germany. Tel: +49 69 912104. Fax: +49 69 91210420.  
Post U.S.: Joe Binkman, 830 Third Ave., New York, NY 10022. Tel: 212 753-3880. Fax: 212 755-5782.  
U.K. Advertising Office: 63 Long Acre, London WC2E 3AF, U.K. Tel: (171) 836-4802. Fax: (171) 550-2524.  
S.A.S. au capital de 120 000 000 F RCS Nanterre B 732021126. Commission Paritaire No. 61337.  
©1998, International Herald Tribune. All rights reserved. ISSN 0244-8022.



## OPINION/LETTERS

America's Under-30 Gang  
Is Out to Do Some Good

By E.J. Dionne Jr.

WASHINGTON — The surest indication of creeping middle age is a proclivity toward whiny speeches about what is wrong with the new generation. Commentary about the alleged flaws and shortcomings of "young people these days" is not confined to any ideological camp. The 1960s crowd was as horrified at the young Reaganites of the '80s as the parents of the Woodstockers and the Birkenstockers were at their brood of young rebels.

The genius of the new American generation under 30 may be this: They are different enough from the earlier cohorts that it is hard for anyone to be cranky about them. You can see the attitudes of today's under-30s as a synthesis of the dominant ideas of the '60s and the '80s — which means that they represent something new.

This is what is emerging from a mound of research now under way on the ideas and aspirations of the young. Much of it is sponsored by the burgeoning "service movement," one of the great untouted developments of the 1990s. It involves many volunteer and community organizations that try to solve social problems in a neighborhood and a person at a time.

For example, a soon-to-be-released survey conducted this summer for Public Allies, a national organization that sponsors leadership training and community service programs for the young, concludes that "in contrast to their 1960s predecessors' focus on changing social institutions, young Americans' outlook is distinctly personal with a heavy emphasis on direct, one-on-one individual service."

The survey, conducted by Peter D. Hart Associates, found considerable skepticism toward government-led efforts to solve problems, but also a strong streak of community-mindedness.

The survey of 728 young adults, 18 to 30, asked: "Which do you think is a more important value in our country — the value of community and looking out for each other, or the value of individual responsibility and self-reliance?" The result: 50 percent opted for community and looking out for each other, while 38 percent opted for individual responsibility and self-reliance.

This is not to say that individualism is dead. On the contrary,

other parts of the survey found that the under-30s value both community and self-reliance and are juggling the two. After the social gyrations of the last 30 years, this may be a generation in search of balance. You might call it maturity.

Given a long list of forces that "had the biggest impact on people of your generation," the single most important, according to those surveyed, was "the increase in divorce and single-parent families." Only the spread of drugs and crack came close and was No. 1 among African-Americans.

No wonder this generation lists "having a strong family" as its most important goal, far ahead of career, money and community service.

The mystery of this generation is whether its communitarian leanings will be expressed primarily in neighborhood work and family life, or whether that work will begin to spill over into politics.

For now, says Michael Sanchez, president of Doing Something, another organization that promotes service and youth leadership, this generation is much more civic-minded than politically minded. "While there's an idealism," he said, "it's less about changing the world than changing our neighborhood."

"The idea of service is framed in terms of altruism, and the young people we've talked to understand community service in terms of helping the 'other,'" said Julie Zener, Doing Something's research coordinator. "In contrast, they talk about politics entirely in terms of selfishness. There's a middle ground that's missing in the popular language, and that middle ground is engaged citizenship."

It is possible to hope that this generation will do a better job than its immediate predecessors in sorting out the conundrums of democracy. Politics can involve self-interest understood broadly, not narrowly, and thus be more than a selfish pursuit. The call to service is inspired not only by altruism but also by a desire to build a stronger community for oneself and family as well as for others.

The great reforming generations are the ones that marry the aspirations of service to the possibilities of politics and harness the good work done in local communities to transform a nation. Might this generation be one of them?

Washington Post Writers Group



## LETTERS TO THE EDITOR

## The U.S. Air Attacks

Regarding "Get the America-Hater, Dead or Alive" (Opinion, Aug. 25) by L. Paul Bremer 3d:

The United States holds itself up as the global defender of democracy and freedom and condemns state-sponsored terrorism. That distinction seems very fine indeed when Washington sends cruise missiles into states with which it is not technically at war.

The writer advocates the assassination of "foreigners" that the United States deems to be dangerous. Meanwhile, why not simply ignore the United Nations when it does not serve your purposes?

I also must thank President Bill Clinton for making the world a far more dangerous place for those of us who are not Americans. Terrorists, unfortunately, are not in the habit of asking people on the shoulder to ask their nationalities before they bomb a public place or bring down an airliner.

With their folly of missiles and machismo, Mr. Clinton and his well-protected advisers have opened a Pandora's box that will spew forth nothing but violence and never-ending retribution.

JOHN O'CALLAGHAN

London

There could not have been a less appropriate response to the bomb attacks against embassies. The international ban on the pro-

duction and stockpiling of chemical weapons is legally binding exclusively on parties to the 1993 Chemical Weapons Convention. Sudan has neither signed nor acceded to the convention. It cannot, therefore, be punished for violating it.

Even when a party to the convention is suspected of violating its provisions, no action against it is permissible unless the offense has been unambiguously established. To redress and remedy the situation that contravenes the ban, parties may take only collective measures and, in cases of particular gravity, bring the issue to the attention of the UN Security Council. Unilateral punitive measures by any country are inadmissible.

JOSEF GOLDBLAT

Geneva

## Religious Scapegoating

Regarding "To Combat Terrorism, Address Muslims' Real Problems" (Opinion, Aug. 27) by Graham E. Fuller:

The writer suggests that U.S. Middle East policy is seen by Muslims as driven by "oil and Israel." If there were no oil in the region, Saudi Arabia and Libya would be poor and sandy instead of rich and sandy. And if there were no Israel, the secular and religious tyrants — Palestinians excepted — in the 21 Arab states would have to invent it. How else would they get their "helpless,

weak and resentful" people not to look for answers at home but to point their fingers at Israel?

Religious scapegoating is a common practice. Just ask the ethnic Chinese Christian and Buddhist Indonesians, who have been plundered and murdered by Muslims in the largest Islamic country in the world. Or the African Christian and animist minorities in southern Sudan, who are being systematically starved by their Arab Muslim brothers in the north.

STANLEY A. WEISS

Gstaad, Switzerland

## A Say on the Scandal

What can we Americans do about the presidential sex scandal and possible obstruction of justice? We can exercise our democratic rights in the November congressional elections. Those who want to see Bill Clinton impeached should vote Republican. Those who prefer to see the investigation come to a speedy close should vote for Democratic candidates.

If the Republicans keep control of Congress, the investigation will continue and the president will most likely be impeached. If the Democrats win control of the House, the investigation will end and there will be no impeachment. I am telling my friends to register to vote if they have not already.

JOHN CHITTICK

Boston

Then Came Disturbance,  
The Brig's Worst in Ages

By James Delgado

VANCOUVER, British Columbia — I rolled off the boat backward, plunging in an explosion of bubbles. As I sank deeper, the bright sunlight gave way to a cloudy twilight that turned gray, then cut to black. I was at 80 feet (24 meters) now, the pressure building as I cleared my ears and continued my free fall to the ocean floor.

I snapped on my light, illuminating a swirling cloud of particles in the water. Then, out of the gloom, I saw anchor flukes

Pearl Harbor, the ship still lies where it sank on Dec. 7, 1941. For the hundreds of thousands of tourists who come to the site every year, visiting the Arizona Memorial is an emotional experience.

But drop into the dark waters and swim around the shattered decks, and time stands still. Portholes, some unbroken, line the hull. Air and oily water remain trapped against some blast covers. Silverware and broken dishes litter the galley. The massive first turret, with its three gun barrels, rests in a crater of twisted steel carved out of the bow when a bomb punched through the armored decks.

Fire hoses with brass nozzles at their ends lie snaked across the decks where they were pulled out to fight fires that sprang up as the Arizona was hit, again and again, by bombs. They lie where they were dropped when the final blast swept the decks and 1,177 men died. Those hoses should never come to the surface. But their story has been raised in pictures and on a scale model of the wreck in the visitor center.

Few wrecks are protected like the Arizona. All too often, artifacts are raised, only to crumble into dust without the sort of treatment a museum laboratory can provide, or to be sold to private collectors. In a souvenir shop in the Caribbean, I recently saw a brick with a maker's stamp from San Francisco that I had only seen once before, in the hall of a 19th-century wreck in the North Pacific that I was trying to identify. I asked where the brick came from.

"A shipwreck off the coast," I was told. What ship? I asked. How old was it? The shopkeeper did not know. A local diver had found the wreck a long time ago. It was now stripped clean. In fact, it was gone: an opportunity lost, a story never told.

When I returned a year later to the brig Somers, I found that we were too late. Treasure hunters had ripped into the stern, taking small arms, swords and the ship's chronometer. We never saw them again.

The writer is executive director of the Vancouver Maritime Museum in British Columbia and chairman of the underwater archaeology committee for the International Congress of Maritime Museums. He contributed this comment to the Washington Post.

DO YOU LIVE IN  
FRANCE?

- Subscribe and SAVE up to 60% off the cover price.

- Also available: PAY MONTHLY, by easy, low cost, direct debit.

## EARLY MORNING DELIVERY TO YOUR HOME OR OFFICE

A cosmopolitan, comprehensive and concise newspaper delivered every day to your home or office. In and around most of Paris and Lyon the International Herald Tribune offers early morning hand delivery on the day of publication, Monday through Saturday. And, because it is printed in Paris, Toulouse and Marseille, it can be sent by post to arrive on the same day in most of France at no extra cost.

The result?

Unique coverage of the world you live in, brought to you as it changes — daily.

For more information about easy ordering and availability of hand delivery

CALL our Subscriber Customer Service Department:

TOLL FREE: 00800 4 448 7827 (00800 4 IHT SUBS)

or Fax: 01 41 43 92 10

E-mail: subs@iht.com — Internet: http://www.iht.com

## PAYMENT BY MONTHLY DIRECT DEBIT

- ☐ YES, I'd like to subscribe and have my bank account debited monthly by FF162. Please start my subscription and send me a bank form to arrange my payment.

## PAYMENT BY CHECK OR CREDIT CARD

- ☐ YES, I'd like to subscribe and pay for the following term:
  - ☐ 12 months (+ 2 months free): FF1,950 (Saving off cover price: 46%)
  - ☐ Special, 2-month trial subscription: FF210 (Saving off cover price: 60%)
- ☐ My check is enclosed (payable to the IHT)

## Please charge my:

- ☐ Access ☐ Amex ☐ Diners
- ☐ Eurocard ☐ MasterCard ☐ Visa

Credit card charges will be made in French Francs at current exchange rates.

Card N°: \_\_\_\_\_ Exp: \_\_\_\_\_

Signature: \_\_\_\_\_

☐ Please start delivery and send invoice.

Family Name: \_\_\_\_\_  
First Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Mailing Address: ☐ Home ☐ Business

City: \_\_\_\_\_  
Postal Code: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_  
Your VAT N° (Business orders only)

(IHT VAT N° 747 320 211 26)  
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other  
I do not wish to receive information from other carefully screened companies. 02-89-98

This offer expires on December 31, 1998  
and is AVAILABLE FOR NEW SUBSCRIBERS ONLY.

Return your completed coupon to:  
Subscriptions Director, International Herald Tribune,  
181, Avenue Charles-de-Gaulle, 92521 Neuilly Cedex.  
Fax: 01 41 43 92 10 E-Mail: subs@iht.com FR14

## READERS IN OTHER COUNTRIES CAN SUBSCRIBE BY CALLING:

EUROPE, MIDDLE EAST &amp; AFRICA

Tel: +33 1 41 43 93 61

Fax: +33 1 41 43 92 10

THE AMERICAS

Tel: (USA toll free) 1-800-882-2884

Fax: +1 212 755 8785

ASIA

Tel: +852 29 22 11 71

Fax: +852 29 22 11 99

EXHIBITION CENTRE  
PARIS-NORD  
Villepinte

THE PARISIAN  
MONUMENT  
WORLD-CLASS  
THAT BUSINESSMEN  
VISIT FIRST,  
IN ORDER TO INCREASE  
THEIR MARKET SHARE  
IN THE FOOD INDUSTRY.

SIAL'98

OCTOBER 18-22, 98



The Global Food  
Marketplace  
for distribution,  
drinks, catering...

You are an important player in the food industry, so come to SIAL and discover the key trends that will help you capture the markets of the future. Come to SIAL to see the most innovative products from all over the world. Visit in order to discover, discover in order

to anticipate, and anticipate to ensure you are number one: that is SIAL's motto. Be number one... it's no coincidence that SIAL is the world's number one food marketplace.

Hotline: +33 1 46 88 60 13  
Web site: http://www.sial.fr



FACILITATING YOUR BUSINESS

web: http://www.expoparisnord.com e-mail: info@expoparisnord.com



CHAMBRE DE COMMERCE

ET D'INDUSTRIE DE PARIS



## INTERNATIONAL

## Moscow Summit Yields 2 Agreements on Arms

MOSCOW — Presidents Boris Yeltsin and Bill Clinton are to sign two arms agreements at their summit on Wednesday, U.S. officials said Tuesday.

The two agreements are, first, that each nation will inform the other of missile launching, and second, that each will cut plutonium stockpiles.

The early warning agreement "will move us another important step back from the nuclear precipice of the Cold War and help make it a safer world," said Robert Bell, Mr. Clinton's special assistant for national security.

The agreement extends to long-range missiles a protocol previously adopted for shorter-range missiles. This new agreement is the main arms-control achievement of the two-day summit meeting, Mr. Bell said.

It was announced after U.S. officials said they had no hope of progress this week toward approval for the START-2 strategic arms treaty of 1993 in the Duma, the lower house of the Russian Parliament. START-2 was originally to have been the summit's main security theme.

Mr. Bell said the missile agreement would commit Russia and the United

States to share data with each other from their early warning stations on launching of ballistic missiles and space vehicles around the world.

Mr. Bell said Mr. Yeltsin and Mr. Clinton had agreed to establish an international system for countries to give advance notice of missile launchings.

He said a key goal of the early warning pact was to make it less likely that any country would launch its own missiles after misinterpreting an innocuous launching by another country. "This agreement today," Mr. Bell said, "is especially relevant at a time when Russia's early warning system is under stress from budget difficulties, systems failures and the closure of early warning radars on the soil of nations outside Russia."

Russia closed one early warning station, at Skrunda in Latvia, on Monday.

Had the agreement been in operation this week, information could have been passed to Russia about North Korea's test launching of a medium-range missile into the Pacific on Monday, Mr. Bell said. The launching alarmed Japan and Russia, as well as South Korea.

He said some details of the agreement had still to be resolved, including whether Russia and the United States would establish a joint center to provide data on missile launchings, as well as their national centers.

Gary Samore, a National Security Council specialist on arms proliferation, said the second agreement spelled out ways of disposing of 50 tons of excess plutonium, a fuel from nuclear weapons. In July, the two countries agreed to dismantle the weapons.

Russia and the United States have agreed that the plutonium is either to be used for civil power plants or to be mixed with other radioactive waste and stored, Mr. Samore said.

Fifty tons would represent about one quarter of Russia's excess stocks of plutonium and about one half of U.S. excess stocks, he said. The two countries have excess stocks from weapons dismantled under various arms control agreements.

Mr. Samore said that the disposal agreement would cost hundreds of millions of dollars to execute. The United States, he said, hopes other rich countries will share the cost.

Russia said when the agreement was originally negotiated, in July, that it would seek contributions of up to \$2 billion from other countries to fund its part of the project.

Under an agreement that was signed in 1994, Russia is already selling 500 tons of highly enriched uranium, another nuclear weapons fuel, to the United States.

Washington — The U.S. Marine Corps has announced that the pilot and the navigator of a plane that shot a ski lift cable in the Italian Alps, killing 20 people, were being charged with obstruction of justice for allegedly hiding or destroying a videotape, apparently made during the flight.

The pilot of the EA-6B Prowler jet, Captain Richard Ashby, 31, and the navigator, Captain Joseph Schweitzer, 30, were originally charged with manslaughter and other offenses. They are now also accused of removing the tape from the cockpit and "endeavoring to impede an investigation by the secreting and/or destruction of evidence."

The Marines did not say what part of the flight they believed was captured on the tape. The videotape in question is separate from a tape discussed at pretrial proceedings in June. That tape was found in the cockpit by Italian investigators and was black, as if the camera had been run with the lens cap on to tape over what was originally there.

Testimony from the June hearing indicated that Prowler crews routinely brought handheld video cameras into the cockpit with them, in part because they serve an intelligence purpose when flying over enemy territory. But people familiar with Prowler operations say that the videos are sometimes used to impress friends and family with evidence of low-altitude derring-do.

A similar videotape got another Marine officer into trouble this year. After the ski lift accident, on Feb. 3, the Marines began an investigation of operations at all Prowler squadrons, and the commander of a squadron based in Cherry Point, North Carolina, was found to have told his men to hide any such videotapes. He was relieved of command.

In a statement of the charges sent by fax Monday afternoon, the Marines hinted that a third crew member was cooperating with prosecutors in making a case against Captain Ashby and Captain Schweitzer. The statement said the two men had "solicited the support of Captain Chandler P. Seagraves," who was seated in the rear of the cockpit, in a conspiracy to hide the tape.

Captain Seagraves, 28, was initially charged, along with another crewman who was in the back seat, but a hearing officer recommended against prosecuting the two men. They had no flight controls, limited instrumentation and no view out the front of the plane.

The plane was on a training mission and was based at the NATO field in Aviano, Italy, for duty over Bosnia.

Testimony and evidence show that the plane was flying lower and faster than rules allow. Courts-martial are scheduled for Captain Ashby in December and for Captain Schweitzer in January.

But the hearing officer, after eight days of hearings, said that the outcome of such courts-martial would be "in substantial doubt" because the Marine Corps, the air force and a Pentagon mapping agency had made systematic errors that contributed to the crash.

Continued from Page 1

you will create the conditions of growth if — but only if — you continue to move decisively along the path of democratic, market-oriented constructive revolution.

"I do not believe it is by reverting to the failed policies of the past. I do not believe it is by stopping the reform process in midstream."

Mr. Yeltsin's comment about a "tactical change" was an allusion to pressure at home to abandon the tight monetary and fiscal policies of recent years.

There is consensus among the political elite that Russia will probably have to begin printing money despite the inflationary effects, as well as increase state control over the economy.

The IMF and Western nations are concerned about the prospect that Mr. Yeltsin will try to respond to the fi-



Naina Yeltsin, wife of the Russian leader, and Hillary Rodham Clinton, the U.S. first lady, sharing a joke Tuesday in Moscow.

## Women 'Can Do Better,' Mrs. Yeltsin Says

MOSCOW — Naina Yeltsin, the normally reserved wife of President Boris Yeltsin, said Tuesday that Russia's many troubles might lessen if women held more positions of responsibility.

"Women should do everything to show men they can do things better and faster," Naina Yeltsin, 66, who rarely speaks in public, told a panel of female Russian business leaders and the U.S. first lady, Hillary Rodham Clinton.

"It's a real shame that we have so few women business leaders," Mrs. Yeltsin said. "Mostly men are leading companies, as they love to be in charge. I think that's very bad."

Russia, led overwhelmingly by men in government and business, is suffering from political turmoil and its worst economic crisis in years after the

de facto devaluation of the ruble and default on some foreign debt.

Mrs. Yeltsin spoke at a small clothing factory, owned by a woman and employing mostly women, after a tour with Mrs. Clinton.

"These are hard times," Mrs. Yeltsin said, "and a lot of the burden falls on women both in the family and at work. A woman somehow feels all the existing problems more acutely, because she is closer to them."

Unlike Mrs. Clinton, Mrs. Yeltsin has played the role of a low-profile wife throughout her husband's career in government.

Although many Russian women work, women's rights rarely receive widespread public attention here.

During a panel discussion, some of the women involved complained about the legendary Russian bureaucrat-

## Mrs. Clinton Is Doing 'Fine'

First Lady Speaks to Sympathetic Russian Women

Compiled by Our Staff From Dispatches

MOSCOW — Hillary Rodham Clinton, making her first public appearance since her husband admitted an inappropriate relationship with a White House intern, took tea with Russian businesswomen Tuesday and gave a brief, firm response when asked how she has been.

"I've been getting along fine," the first lady said to journalists, emphasizing "fine" with a nod of her head.

The Clintons left for vacation two weeks ago, shortly after the president's testified about the Monica Lewinsky matter to a grand jury and then told the American public about it the same evening, reversing his previous, angry denials.

Mrs. Clinton had not spoken in public

about her reaction before, although a spokesman had said she still loves her husband. The White House had said the family was to undergo a healing process during their vacation.

Mrs. Clinton toured a small clothing factory with President Boris Yeltsin's wife, Naina, after arriving in Moscow early Tuesday morning. She met several Russian officials and women who own small businesses.

She was poised and smiled frequently, although she appeared tired after the long overnight flight from Washington with her husband, who is in town for a two-day summit meeting with Mr. Yeltsin.

In the factory employing mostly women, workers expressed sympathy for the president's wife after she was embarrassed by the public disclosure of Mr. Clinton's indiscretion.

"On a human scale I feel sorry for her," said Tonya Salkina, who irons fabrics on the small plant's production floor. "She's a woman above everything else, not just the president's wife. As with any family, they have to deal with it themselves."

Tatiana Nedzvetzskaya, the owner of the Quoll plant, who showed Mrs. Clinton around, said she felt sympathy for the first lady and distaste for the investigation that brought Mrs. Lewinsky, the stained dress and other sordid details to public attention.

"Why shouldn't she feel fine?" she said after Mrs. Clinton left. "The nation is guilty for poking into her business."

"What goes on behind the bedroom doors is nobody else's business," she said. "If you start asking that kind of question, you have fascism, not democracy."

"If the Americans don't like him, we'll be glad to take him here," she added, alluding to widespread Russian discontent with Mr. Yeltsin. (AP/Reuters)

## RUSSIA: Chernomyrdin Will Press Ahead on Naming Ministers

Continued from Page 1

Behind-the-scenes maneuvering continued Tuesday, with the focus shifting to Parliament's upper house, or Federation Council, which is to meet with Mr. Chernomyrdin on Thursday.

If the Federation Council, made up of Russia's increasingly powerful regional governors and legislative chiefs, endorses Mr. Chernomyrdin, then his chances of approval in the lower house will improve, said Vladimir Ryzhkov, the leader in Parliament of Mr. Chernomyrdin's party. Our Home Is Russia.

Another option, Mr. Ryzhkov said, would be to float new names for the post

of prime minister — among them, Yuri Luzhkov, who is the influential mayor of Moscow, and Yegor Stroyev, chairman of the Federation Council. These would be forwarded to Mr. Yeltsin for consideration.

Another key ally of Mr. Chernomyrdin's, Alexander Shokhin, called on Mr. Yeltsin to initiate another round of consultations with Parliament leaders.

Mr. Chernomyrdin expressed anger and frustration Tuesday over Parliament's leisurely pace in dealing with the economic and political crisis.

"What are we doing to the country, to its people?" he asked. "Don't they feel pain? Aren't they concerned or offend-

ed by what is happening in Russia?"

As politicians squabbled, the value of the ruble continued to slip, falling Tuesday to 11.8 on an electronic interbank currency exchange. Since the shutdown of the main currency exchange last week, the exchange has served as the best barometer of the ruble.

According to banking experts, the rate on the electronic exchange is, in effect, dictated by market forces, and reflects the refusal of the Central Bank of Russia to use its fast-dwindling foreign currency reserves to defend the ruble.

Uncertainty about the ruble's true worth continued to pummel embattled consumers, who are seeing prices skyrocketing all over the place, jumping as high as 60 percent on some items, in some stores, although not in all.

Some stores have stayed shut as a way of sidestepping the question of what their merchandise was worth.

With faith in the ruble falling fast, Russian consumers have spent the last week sheltering their savings in everything from gold to cars, television sets to furniture.

But now, increasingly, the spending spree has moved on to foods, as Russians, fearing the worst, flock to wholesale markets and supermarkets for the few bargains that remain.

New stocks of imported goods have been held up in the wake of the economic crisis as importers halted delivery of orders not yet paid for.

Russia, and Moscow in particular, has become heavily dependent on imports for both food and consumer goods, a situation that many people see as dangerous, given the country's shortage of money.

At the regular weekend wholesale market in Zhukovsky, a town 35 kilometers (20 miles) outside Moscow, shoppers on Sunday were carting away boxes of sunflower oil, macaroni, long-life milk and sugar, said Lida Botcharova, a resident of the town.

"They were buying everything that will last," she said, noting that prices had already jumped from 10 rubles to 14 for a bottle of sunflower oil and from 10 to 19 rubles for a package of detergent.

Some goods sold out after just half a day, she said.

At a meeting Tuesday of his acting government, Mr. Chernomyrdin said he was preparing a series of "tough and credible actions" to restore faith in the ruble and the economy. "We've had enough talk," he said.

Among his priorities, he said, were steps to protect savings accounts, restore the currency market and preserve the banking system.

Mr. Chernomyrdin said he would move to simplify the tax system and lower profit taxes.

"We have no more margin for mistakes," he warned. "In this situation, the government does not have a right not to work."



SCHOOL DAZE — A young girl in Bangkok caught some extra sleep in a crate on the back of a motorcycle on her way to class Tuesday.

## New Blow in Moscow: Metro Ticket Up 50%

MOSCOW — Muscovites got more proof Tuesday that life in the capital has become a lot dearer since the ruble went into free fall two weeks ago. They found that their Metro ride to work cost 50 percent more.

The price of a plastic slot-machine token for a single journey on the underground railway, which Moscow officials say is the busiest in the world with 9 million travelers a day, rose to 3 rubles from 2, the first increase in 14 months.

The increase does not affect pensioners, war veterans and others who are entitled to use the system free.

For those with hard currency, the increase means the fare is actually little changed from a month ago, at about 32 cents, as a dollar buys about 9.3 rubles, against 6.4 rubles before the collapse.

SUMMIT: Clinton Makes a Plea and Yeltsin Gives Some Promises

Continued from Page 1

you will create the conditions of growth if — but only if — you continue to move decisively along the path of democratic, market-oriented constructive revolution.

"I do not believe it is by reverting to the failed policies of the past. I do not believe it is by stopping the reform process in midstream."

Mr. Yeltsin's comment about a "tactical change" was an allusion to pressure at home to abandon the tight monetary and fiscal policies of recent years.

There is consensus among the political elite that Russia will probably have to begin printing money despite the inflationary effects, as well as increase state control over the economy.

The IMF and Western nations are concerned about the prospect that Mr. Yeltsin will try to respond to the fi-

nanial crisis with measures that could undermine future market reforms, especially an infusion of money.

"Printing money to pay the banks does not help," Mr. Clinton said. "It causes inflation and ultimately will make the pain worse."

"This is not an American agenda," he stressed. "These are the imperatives of the global marketplace."

Mr. Yeltsin agreed to devalue the ruble on Aug. 17, which plunged Russia into an economic upheaval and spread to other countries. The stock market remained at rock bottom Tuesday, the main currency exchange was closed and retail trade was increasingly disrupted.

The U.S. deputy Treasury secretary, Lawrence Summers, said that Mr. Yeltsin cited to Mr. Clinton some of the areas in which increased state regulation could be expected. But Mr. Summers added that this did not mean "go-

ing backward towards communism."

In remarks at a dinner Tuesday night for Mr. Clinton and his wife, Hillary Rodham Clinton, Mr. Yeltsin said:

"I cannot say that all the problems are behind us. The social cost of the reform is great. Time is needed for the government's stabilization program to bear fruit. As president, I declare: Russia's strategic reform course is inevitable."

Mr. Yeltsin's precise words to Mr. Clinton during the talks were not disclosed, but his press secretary, Sergei Yastzhenbolsky, quoted him as saying:

"The country will continue building a market economy and a democratic society."

In addition to Russia's economic woes, the country is also undergoing a political tug-of-war between Mr. Yeltsin and Parliament that has resulted in virtual paralysis at the top.

femininity preferred, the researchers began by making computer composites. For each ethnic group they studied, they took photographs of 20 men and 20 women in their early 20s, digitized the images and defined 174 salient features — for example, nose tip — as "facial landmarks."

Those features were then used to calculate a single image each of an average white man and of an average white woman, or average Japanese man and average Japanese woman. The scientists defined "masculinity" and "femininity" as the measurable ways that the composite images of the two sexes differed from one another.

A group of 50 students and university staff members in Scotland and a similar number in Japan served as judges.

Sitting at a computer console, the ap-

praisers could manipulate the images by a mouse, morphing the pictures in either a more masculine or feminine direction. All the features would change simultaneously as the mouse moved, which meant that the appraisers did not have the option of sculpting features to their particular liking — say, by enlarging the jaw of the man while keeping his nose and brow comparatively slender.

In the end, the judges preferred, on average, significantly feminized female faces for both sexes.

Female faces were rated as most attractive when they were about 20 percent more feminized than the female norm, while male faces were judged most appealing when they were about 15 percent more feminine than the standard male composite.

## FACES: Both Sexes, a Study Finds, Prefer the Pretty-Boy Look Over the Strong Jaw and Heavy Brow of the Hunk

Continued from Page 1

results appeared in the Aug. 27 issue of the journal Nature.

"Our team has been working on this study for four years," said Ian Penton-Voak of the University of St. Andrews in Fife, Scotland. "When it was found early on that there was a preference for feminized male faces, nobody believed it, so we did it again and again. The preference for a feminized face keeps coming up."

Most recently, he said, "We've even replicated this work among hunter-gatherer tribes in the Amazon." Mr. Penton-Voak, an author of the new report, is a graduate student working in the laboratory of David Perrett.

In the same study, the scientists also found that viewers preferred ultra-fem-

inized women's faces over either average female faces or those that have been slightly masculinized. That result, at least, was in keeping with their expectations.

The new report adds to a growing body of evidence that beauty may not be restricted to the eyes of a beholder and that a sense of it may be more innate and less culturally interchangeable than we care to believe. At the same time, the results underscore that the meaning of beauty is still up for grabs and open to any number of interpretations.

Mr. Perrett and his colleagues suggest that women might choose feminine-looking men as their mates because such men give the appearance of being sensitive, honest and potentially reliable fathers, yet they admit that this assumption is speculative at best.

Theoretically, if a woman is looking for a mature man who hypothetically has the resources to invest in her and offspring, she should care little for youthfully full lips or wide eyes.

To test the degree of masculinity or

femininity preferred, the researchers began by making computer composites. For each ethnic group they studied, they took photographs of 20 men and 20 women in their early 20s, digitized the images and defined 174 salient features — for example, nose tip — as "facial landmarks."

Those features were then used to calculate a single image each of an average white man and of an average white woman, or average Japanese man and average Japanese woman. The scientists defined "masculinity" and "femininity" as the measurable ways that the composite images of the two sexes differed from one another.

A group of 50 students and university staff members in Scotland and a similar number in Japan served as judges.

Sitting at a computer console, the ap-

## BRIEFLY

### War of Attrition Expected in Congo

KINSHASA, Congo — The capital of the Congo edged toward normalcy Tuesday as Tutsi-led rebels suffering reversals in their bid to oust President Laurent Kabila prepared for a war of attrition.

Facing that economically and politically crippling outlook for the central African region, the United Nations and Secretary-General Kofi Annan appealed for a cease-fire and the withdrawal of all foreign forces from the former Zaire.

A frontal assault on the capital Kinshasa having foundered against a combination of Angolan, Zimbabwean, Namibian and Congolese troops, the rebel dream of a quick and decisive campaign has become the nightmare of a long guerrilla war.

Iranian Maneuvers Near Afghanistan

TEHRAN — Iran began wide-scale military exercises Tuesday with a parade near the border with Afghanistan, where Tehran claims that the Taleban militia is holding 47 Iranians.

Some 70,000 elite Iranian soldiers kicked off the maneuvers with a parade in Torbat-e Heydarieh in northeastern Khorasan Province.

The actual exercises are to begin Wednesday, and ground and air troops from the Islamic Revolutionary Guards Corps and the volunteer Basij Resistance Forces will take part.

The three-day maneuvers, the largest this year, are the first near the border since the 1979 Islamic Revolution. (AP)

### Leaders Gathering In South Africa

DURBAN, South Africa — Leaders of some of the world's poorest countries began arriving Tuesday in South Africa for the 12th summit meeting of the Nonaligned Movement, with finance and economics topping their list of concerns.

At a news conference before the conference, which about 60 heads of state are expected to attend Wednesday and Thursday, the deputy president of South Africa, Thabo Mbeki, said economic globalization was a central concern to less developed countries. (Reuters)

### Brazil Reservation Threatened by Fire

BRASILIA — Brazilian environmental authorities have declared a "red alert" as fires raged toward one of the country's biggest and best preserved Indian reservations.

Flames were devouring farmland in central Mato Grosso state and heading for the Xingu National Park, where 17 different indigenous groups live in a densely forested area bigger than Belgium and prized by scientists for its rich biodiversity.

A spokesman for the government's National Indian Foundation said the flames were just 4 kilometers (2.5 miles) from the park's perimeter. (Reuters)

## Titanic Sails On In Mexico

Illage Tank Be...  
Marine's Playg...

...the World A...  
...the World A...

R...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...

...the World A...  
...the World A...



هكاه من الاصل

TOMORROW  
TECHNOLOGY

## 'Titanic' Sails On In Mexico

### Huge Tank Becomes Movies' Playground

By John Ward Anderson  
Washington Post Service

ROSARITO, Mexico — Four frantic scientists in wet suits struggled with a heavy, water-tight restraining door after their deep-sea laboratory — under attack by genetically enhanced, man-eating sharks — sprang a series of leaks. Cannon-like blasts of sea water spewed through the holes, pummeling the scientists and threatening to sink their platform.

Renny Harlin, giddy with excitement, could contain himself no longer. A huge smile spread across his face. His eyes blazed. "Is this fun or what?" the director blustered. "We can do anything here!"

Welcome to Hollywood's newest playground, a \$30 million seaside movie-studio-cum-water-theme-park, custom-built by the director James Cameron two years ago for the filming of his blockbuster, "Titanic."

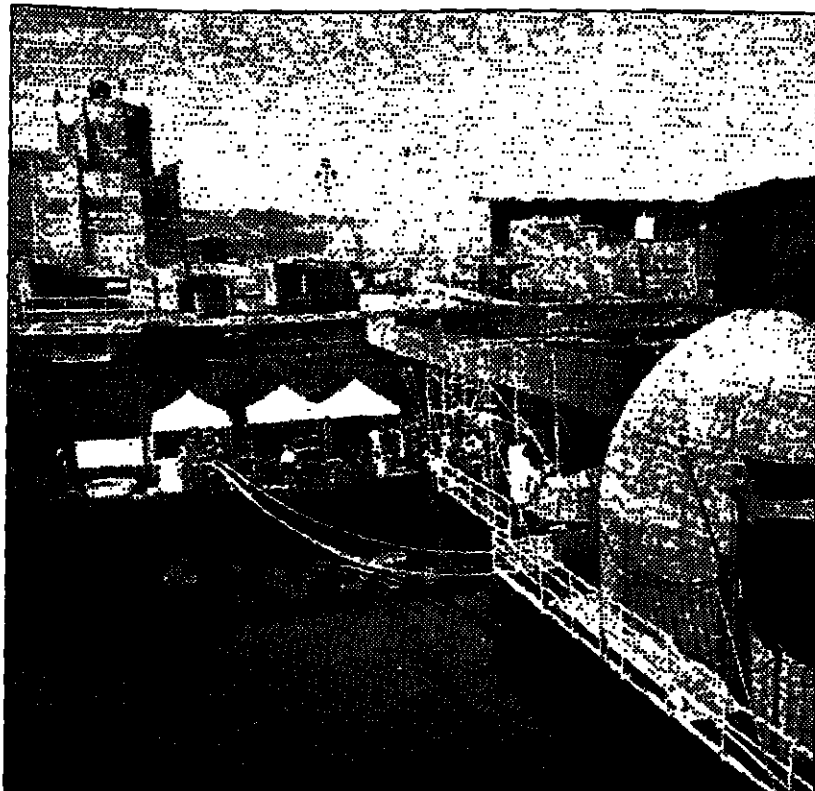
This place was supposed to be torn down after Cameron finished shooting. But the 35-acre (14-hectare) studio — including a 17-million-gallon "infinity horizon" water tank built on the Pacific coast of Mexico — was simply too unique and expensive to scrap. It now is the largest, most state-of-the-art facility for making water-based movies in the world, and a huge economic boon for the nearby, slightly dog-eared beach resort of Rosarito, just south of the Tijuana border crossing.

A lot of people haven't woken up from the dream. It's like having a little Hollywood in your backyard," said Antonio Escobedo, a state tourism official in Rosarito who has been brushing up on Hollywood hype and hyperbole. "The sleepy town, the quaint village is no longer. We're going to be like Southern California. We're doomed to prosperity."

Town officials and executives from 20th Century Fox — which built and owns the studio, known as Fox Studios Baja — estimate that Cameron's "Titanic" project pumped as much as \$80 million into the local economy. It also created a spin-off cottage industry of Titanic burgers, a Titanic glass shop and bakery, Titanic T-shirts, drinks and a small museum at the studio with props and other memorabilia from the filming.

For months, local residents and tourists watched from a nearby highway as a 775-foot (235-meter) model of the liner seemed to sail and then sink in the studio's eight-acre tank, built on a bluff high above the Pacific. The tank had a "seamless edge," so it appeared the boat was steaming through the ocean beyond.

"It's incredible that Cameron got Fox to build such a set for one movie, but I guess they're getting it all back now," said Harlin, director of the action-suspense movies "Die Hard 2"



"Deep Blue Sea" is being filmed in the vast water tank left by "Titanic."

and "Cliffhanger." "Titanic," which cost \$200 million to make, is the highest grossing movie ever, surpassing \$1 billion in box office receipts worldwide.

"This is a dream place, there are no limitations," Harlin said of the coastal studio, which Warner Bros. has leased for about three months to film "Deep Blue Sea." Harlin's \$70-million shark thriller.

"When you are filming on the open ocean with 200 crew members, it's completely uncontrollable," he said. "You have the current going one way, the waves going another and the wind taking you in a different direction. And every time the boat moves, the sun and shadows move too. You have to double your shooting schedule. We're saving probably 50 percent by filming here."

Besides, he confessed, "I love not being in L.A. If you're on a studio lot, you have to deal with all the agents and executives."

Nonetheless, the proximity to the film business in Los Angeles, a three-hour drive north, is a major attraction, executives said. The studio also was used for water scenes in the latest James Bond movie, "Tomorrow Never Dies," and for "In Dreams," with Robert Downey Jr.

IN ADDITION to the facility itself — the Fox Baja tank is twice as big as similar tanks in Malta and Australia — the temperate climate and cheap labor costs of Mexico's state of Baja California Norte are important draws, officials said.

"In Australia and Malta, everybody gets sick there, and we've had none of that here," said Tony Ludwig, a producer of "Deep Blue Sea."

Akiva Goldsman, another producer, said that the movies that get out of control financially "are often water movies."

"Water is unpredictable and sav-

age," he added, "and here it's controllable, and that's a gift. It's a real advantage in terms of shooting and making your schedule and budget."

Besides, said Escobedo, the state tourism official, "They never would have been given a permit in the U.S. to build a studio right on the ocean. The environmentalists are too tough." But since Rosarito was incorporated as a city three years ago, local officials were anxious to accommodate the studio and help diversify the local economy, 90 percent of which relies on tourism, officials said.

The studio employs 56 local Mexicans full time when there is no production. "But on 'Titanic' we had 400 Mexicans working on set construction," said Charlie Arneson, general manager of the studio. "We hire local painters, plasterers, carpenters, cleaning crews, and we try to buy all of our construction materials locally."

He added: "Right now, there are 300 hotel rooms being taken up by the crew of 'Deep Blue Sea,' and they're eating one meal a day outside of the studio, and they're all shopping locally."

The studio, which bought another 12 acres to expand, has 70,000 square feet of indoor stage area, 90,000 square feet for construction workshops and four water tanks — two indoors and two outside, all with special filtration systems.

One indoor tank is 100 feet wide, 200 feet long and 29 feet deep, and has a massive hydraulic lift that can raise, lower and tilt an entire set under water. A 500,000-gallon outdoor tank can use heated fresh or salt water. The crown jewels are the eight-acre tank — parts of which can be filled to a depth of 43 feet — and a 162-foot-high crane for heavy lifting.

"The facilities are so huge and sophisticated that it's like being on the ocean," said Harlin, who plans to use the crane for a scene in which a shark grabs a helicopter and pulls it into the sea. "And the crew loves it. The prices are cheap and everybody is living in houses on the beach and going surfing in the mornings."

"The facilities are so huge and sophisticated that it's like being on the ocean," said Harlin, who plans to use the crane for a scene in which a shark grabs a helicopter and pulls it into the sea. "And the crew loves it. The prices are cheap and everybody is living in houses on the beach and going surfing in the mornings."

absorbing what he is saying and not noticing how he is speaking.

"It's like spectacles," said Manul, who generally has no time to rehearse and simply walks into the studio and starts reading. "After a short while, you forget they are on your nose and you're just seeing."

Dubbing has been used in Poland, but quality dubbing is regarded as too expensive, and Poles dislike the slapdash approach using bad actors that can be seen here by tuning into some German television stations. Moreover, Maliborski said, the Polish voice-over allows the viewer to catch snatches of the actors' voices throughout the movie.

"You can know what Melanie Griffith, who has a very distinctive voice, sounds like," Maliborski said. "And you can understand what she is saying. With dubbing, you can never know what Griffith or any other actor actually sounds like."

Subtitling, which is used in movie theaters here, was tried on television in the early 1990s before the new consumer economy took off and when many Poles were still watching fuzzy, black-and-white sets. Consequently, it was a bust.

"Movies are made to be watched," Maliborski said. "I think there are a lot of advantages to our way."

The single voice-over seems likely to keep drowning on. According to a 1997 survey by the Polish polling firm OPOB, 54 percent of Poles prefer voice-over, while 36 percent would like dubbing.

AND market research by one private television station here indicated that 20 percent of television viewers would refuse to watch a movie that did not have a one-person voice-over. Those who prefer dubbing and subtitles just do not feel that strongly.

"Sadly, I think that we have to say that while the rest of the world likes to watch movies," said Raczek, a fan of subtitles, "Poles like to listen to them."

## A Wacky and Weird Musical

### 'Song of Singapore' Draws on the B Movie in a Lively Spoof

By Sheridan Morley  
International Herald Tribune

LONDON — Precious few actresses hit two really good small-scale musicals in the same decade, let alone the same summer, but you could always argue that Issy Van Randwyck is like precious few other actresses.

A Dutch baroness who started out clog-dancing to "Tulips From Amsterdam" as the supporting act to Larry Adler, she is unquestionably the most eccentric star/singer to have emerged in this country since Hermione Gingold or Beatrice Lillie, and what she is now doing has to be seen, not necessarily to be believed.

It is a musical at the Minerva in Chichester — the first sold-out hit those theaters have had in a long and troubled series of misadventures — that apparently first surfaced off-Broadway some years ago and is called "Song of Singapore." No less than five composer-lyricists are credited with its creation, not one of whom I have ever heard of in any other stage musical context. The word is that they are jazzmen and women who, bored of bandstand life backing other people, decided to build themselves a show in which they could star as well as play.

And what they have constructed is truly weird and wonderful: We are in Singapore at the end of 1941, just as the Japanese invasion is about to start. In a rundown nightclub there is an amnesiac singer who might possibly be Amelia Earhart. Unfortunately, she is now so forgetful that before she clammers to the end of a short sentence, she has forgotten how it started.

Backing her in the band are assorted losers, wisecrackers, would-be lovers. There are also some missing jewels hidden in a fish, and a good, cynical line of dialogue — "He's a vicious, psychotic killer, and before that he was a divorce lawyer."

If you can imagine the Marx Brothers' version of "Casablanca," or Peter Nichols' "Privates on Parade" made over by the writers of "Hellzapoppin," you will have some idea of what is going



Julian Littman and Loveday Smith in "Gloomy Sunday."

on here, albeit not a lot. Only a few weeks ago Van Randwyck was starring at Jermyn Street in another small-scale musical of utter anarchy, delight, this one called "Nora Blake" and again aimed at late-night movie fanatics.

For "Song of Singapore," it might help to have seen (as well as the aforementioned "Casablanca") several other B features of the '40s, preferably starring Peter Lorre, Esther Williams, Hedy Lamarr and Dolores del Rio, though not necessarily in that order. Carmen Miranda might also be usefully invoked here.

What is so utterly, blissfully rich and rare is the double standard whereby the entire cast know they are involved in rubbish, but are having such a good time that their joy overtakes the auditorium.

It is true that "Song of Singapore" has no real second half, but the cast does one anyway. The plot, such as it is, does have to be tied up, though in the most insecure of knots. The songs bear in-

creasingly little reference to the action, but they, too, have a weird life of their own, while Randwyck's Voodoo war dance also has to be seen not to be believed.

As pianist and nightclub host, Elio Pace is a Billy Joel look-alike of suitably dour and cynical manner except of course when he has a song to sell. The rest of the cast is equally agile at the jazz and the jokes, especially Beatrice Grace who, straight from drama school, turns in a supremely sinister kind of Madame Saigon. Time and again "Song of Singapore" wins you over with its joyous carelessness and its absolute confidence that, so long as you are willing to go along for its bizarre ride, you will have a truly mesmerizing evening.

By the time Randwyck starts to accompany herself on a selection of bicycle bells nailed to a wooden board, it is not just a matter of anything could happen. It already has.

Randwyck, by now torn between Carmen Miranda and Miranda Richardson, closes the show by announcing she is off to a new life as a cabaret singer and aviatrix in Hawaii — so it happens to be December 1941?

Whoever thought Pearl Harbor wouldn't be a good gig at that time of the year?

In London, at Jermyn Street, is another real oddity, a three-handed musical called "Gloomy Sunday," which tells the true story of Rudi Seress, the prewar Budapest singer-songwriter famous now only for Billie Holiday's song, the one that gives the show its title.

The song, too, has a seriously weird history in that 20 people are known to have killed themselves while listening to it, from the Danube to the Hudson.

As for Seress himself, he managed to jump from a 10th-floor window without having to hear it again. His suicide seems to have come in the 1950s after a lifetime of depression, patchy marriage and a refusal ever to leave his native city in order to claim his royalties worldwide.

Peter Muller's play with Seress's songs, as translated by Andrew Merkle, has a considerable if gloomy fascination and is touchingly played by the real-life marital team of Loveday Smith and Julian Littman, with Matt Devereaux filling in some minor characters.

## BOOKS

### MOST GERMAN OF THE ARTS

#### Musicalology and Society From the Weimar Republic to the End of Hitler's Reich

By Pamela M. Potter 364 pages. \$40. Yale University Press.

Reviewed by James R. Oestreich

FOR a music critic who tilts at German crossword puzzles in odd moments to dredge up forgotten vocabulary, it was frustrating, at first, to find "Liszt" as the answer to "German composer." Those little instruments of torture are difficult enough without some one-headed quinceañera venturing into an area he obviously knows nothing about.

But no, Liszt kept coming up, occasionally as a Hungarian, more often as a German. Franz Liszt (Liszt Ferenc, originally) lived and worked in Weimar from 1848 to 1861, it is true, and he was a central figure in the Wagnerian fray and the development of the New German school of composition. Still,

would anyone think to call Chopin a French composer?

With repetition, this strait bit of colonialism came to seem a little creepy. Now comes Pamela M. Potter, in an illuminating book, "Most German of the Arts: Musicalology and Society From the Weimar Republic to the End of Hitler's Reich," to report that it was not entirely stray. "During World War II," Potter writes, "Germany's territorial gains inspired musicologists, in a sense, to annex the musical achievements of subjugated countries and broaden the definition of German music and to increasingly portray developments in European music history as German accomplishments."

Old habits die hard, as Potter, an assistant professor in the School of Music and the department of German at the University of Wisconsin in Madison, makes clear in other respects as well. Her most valuable contribution, in fact, is to establish that "Nazi musicalology" was not an isolated infection, a phenomenon hermetically confined to a single time and place. It had roots in the way Germans have thought about music over the centuries and effects that

carry into the present, not least in the United States.

Oddly, another German puzzle much to the point cropped up recently, one of those that, when solved, yields a saying. In this case the quotation was from Weber (the sociologist Max, presumably, not the composer Carl Maria von Weber): "Art has no fatherland."

That noble sentiment is evidently a hard sell in Germany where music is concerned. "Music is German, isn't it?" a young German professor of technology is reported to have said in 1992 to Albrecht Riettmüller, a musicologist who evidently inspired Potter's title with another quotation: "Music, the most 'German' of the arts" ("Musik, die 'deutschesten Kunst'").

What music may well be is the most intractable of the arts, the hardest to bend to political uses. "Music was far more elusive in character than the visual arts," Potter writes, "one reason why Goebbels remained aloof from musical matters and focused his energies on dictating policy in other arts and media."

That elusiveness is nowhere more apparent than in attempts to pin down the very concept of "Germanness" in music. Potter devotes a chapter to the subject and admirably withholds guffaws even when matters descend to the ludicrous.

While German commentators as ancient as Johann Adolph Scheibe, an 18th-century composer, found it easy to point to distinguishing features in the styles of Italy, France and Poland, they were hard put to do the same with their own music.

So Germany was to be, simply, the land of music. All the music that was fit to annex, Germany's essential musical genius, some conveni-

ently concluded, lay in its ability to adapt, synthesize and thus ennoble the music of other nations. And what emerged from that German meander was to be deemed "universal." Liszt should perhaps have been grateful to be included.

Not every chapter offers as much black humor or will hold as much interest for the average music lover. The discussions of musicalological organization and methodology in Germany from the end of World War I to the end of World War II are crammed with detail that will be of value — great value, to be sure — mainly to specialists.

The musicalology of the Nazi era, in its concerns with questions of community, nationality and race, drew heavily on that of the Weimar Republic and before, Potter shows. "It is important to recognize the seamless transitions in musical life from one system to the other," she writes. And again as in the Weimar Republic, musicologists in the Third Reich failed to exert much influence on practical policy, for all the efforts of individuals and organizations to make themselves useful to the regime.

Until recently, general readers had access to remarkably few sources of solid information on the musical history of the Third Reich. All of that has changed drastically, thanks first to Michael Kater, with his "Different Drums: Jazz in the Culture of Nazi Germany" and "The Twisted Muse: Musicians and Their Music in the Third Reich," and now to Potter.

New York Times Service

## No Dubbing, Please, We're Polish

By Peter Finn  
Washington Post Service

WARSAW — It is one of the stranger legacies of communist rule: a smooth, unemotional, disembodied male voice.

It is the experience of watching — or, more weirdly, listening — to an American movie or series on television here. In Poland, one man, in near monotone, says all the lines. Every last syllable.

The actor on screen might be giving birth or dying, killing or making love. It might be Clint Eastwood, or Meryl Streep or Kermit the Frog. It doesn't matter. The voice marches like a newscaster covering a Politburo funeral.

In much of the non-English-speaking world, movies are dubbed with native actors who attempt to replicate at least the emotion projected by the actor on screen. If Arnold Schwarzenegger says, "Hasta la vista, baby," a dubber in, say, Germany will attempt a macho-baritone.

In many countries, movies are subtitled, allowing the viewer to read the translation while listening to the original voices. So when Woody Allen, um, issues that, um, New York whine, a viewer in, say, Norway, can genuinely sense its kvetching quality.

Not in Poland. They don't dub. They don't subtitle. They read. "A reader can't be an actor. Nor can he be indifferent," said Bohdan Maliborski, who translates movies and supervises the reading of scripts in Polish. "A reader has to be emotionally intelligent and convey information in a modest or discreet way."

For some Poles, however, it is so discreet it's mind-numbing, the actorly equivalent of elevator music.

Tomasz Raczek, a television columnist for the Polish newsweekly Wprost, said, "Sometimes at night you can change channels and keep hearing the same voice."

A handful of men dominate movie-reading here, he added. "And, in the end, I have the impression I'm watch-

ing the same movie over and over and over — whether Bergman or Spielberg or a Brazilian soap opera is on. At moments like that I really think I'm going crazy."

This system of translating movies, or oral stenography, originated in the Soviet Union, Raczek said. But even the Russians, he noted, used a double voice-over, with a woman reading female parts and a man reading male parts. In Poland, female readers are consigned to wildlife shows and documentaries. Movies are for men.

"Because of the proximity to L.A., the studio can see the dailies the next day," he said. "It's no different from being in Burbank."

Akiva Goldsman, another producer, said that the movies that get out of control financially "are often water movies."

"Water is unpredictable and sav-

ing the same movie over and over and over — whether Bergman or Spielberg or a Brazilian soap opera is on. At moments like that I really think I'm going crazy."

This system of translating movies, or oral stenography, originated in the Soviet Union, Raczek said. But even the Russians, he noted, used a double voice-over, with a woman reading female parts and a man reading male parts. In Poland, female readers are consigned to wildlife shows and documentaries. Movies are for men.

"Because of the proximity to L.A., the studio can see the dailies the next day," he said. "It's no different from being in Burbank."

Akiva Goldsman, another producer, said that the movies that get out of control financially "are often water movies."

"Water is unpredictable and sav-

ing the same movie over and over and over — whether Bergman or Spielberg or a Brazilian soap opera is on. At moments like that I really think I'm going crazy."

This system of translating movies, or oral stenography, originated in the Soviet Union, Raczek said. But even the Russians, he noted, used a double voice-over, with a woman reading female parts and a man reading male parts. In Poland, female readers are consigned to wildlife shows and documentaries. Movies are for men.

"Because of the proximity to L.A., the studio can see the dailies the next day," he said. "It's no different from being in Burbank."

Akiva Goldsman, another producer, said that the movies that get out of control financially "are often water movies."

"Water is unpredictable and sav-

ing the same movie over and over and over — whether Bergman or Spielberg or a Brazilian soap opera is on. At moments like that I really think I'm going crazy."

This system of translating movies, or oral stenography, originated in the Soviet Union, Raczek said. But even the Russians, he noted, used a double voice-over, with a woman reading female parts and a man reading male parts. In Poland, female readers are consigned to wildlife shows and documentaries. Movies are for men.

"Because of the proximity to L.A., the studio can see the dailies the next day," he said. "It's no different from being in Burbank."

Akiva Goldsman, another producer, said that the movies that get out of control financially "are often water movies."

"Water is unpredictable and sav-

ing the same movie over and over and over — whether Bergman or Spielberg or a Brazilian soap opera is on. At moments like that I really think I'm going crazy."

This system of translating movies, or oral stenography, originated in the Soviet Union, Raczek said. But even the Russians, he noted, used a double voice-over, with a woman reading female parts and a man reading male parts. In Poland, female readers are consigned to wildlife shows and documentaries. Movies are for men.

## BEST SELLERS

The New York Times This list is based on reports from more than 3,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.			
FICTION			
Week	Book	Author	Weeks on list
1	RAINBOW SIX, by Tom Clancy	Clancy	1
2	I KNOW THIS MUCH IS TRUE, by Wally Lamb	Lamb	3
3	THE FIRST EAGLE, by Tom Clancy	Clancy	5
4	POINT OF ORIGIN, by Patricia Cornwell	Cornwell	2
5	SUNAMOR SISTERS, by Judy Blume	Blume	4
6	MESSAGE IN A BOTTLE, by Nicholas Sparks	Sparks	6
7	THE GIFT, by James Patterson	Patterson	1
8	A NIGHT WITHOUT ARMOR, by David Copperfield	Copperfield	7
9	THE KIDNAP, by David Copperfield	Copperfield	8
10	MEMOIRS OF A GENTLEMAN, by Arthur Golden	Golden	9
11	MOON MUSIC, by Faye Kellerman	Kellerman	1
12	A WIDOW FOR ONE YEAR, by John Irving	Irving	10
13	COAST ROAD, by Robert Bly	Bly	15
14	COLD MOUNTAIN, by Charles Frazier	Frazier	12
15	LOW COUNTRY, by Anne Rivers	Rivers	13
NONFICTION			
1	TUESDAYS WITH MORRIE, by Mitch Cullin	Cullin	1
2	THE DAY DIANA DIED, by Christopher Anderson	Anderson	1
3	A PIRATE LOOKS AT FIFTY, by Jimmy Buffett	Buffett	2
4	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Kellum	Stanley and Kellum	5
5	ANGELA'S ASHES, by Frank McCourt	McCourt	4
6	A WALK IN THE WOODS, by Bill Bryson	Bryson	3
7	A MONK SWIMMING, by Michael McCourt	McCourt	6
8	CITIZEN SOLDIER, by Stephen E. Ambrose	Ambrose	7
9	TITAN, by Ron Chernow	Chernow	8
10	WE ARE OUR MOTHERS DAUGHTERS, by Cole Roberts	Roberts	9
11	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	Walsch	11
12	THE GIFT OF THE JEWS, by Thomas Cahill	Cahill	10
13	SHIP OF GOLD IN THE DESERT BLUE SEA, by Gary Kinder	Kinder	12
14	THE MAN WHO LISTENS TO HORSES, by Marjorie Wallace	Wallace	15
15	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Deere	Deere	13
ADVICE, HOW-TO AND MISCELLANEOUS			
1	SUGAR BUSTERS, by H. Leighton Stewart et al.	Stewart et al.	1
2	THE 911 STEPS TO FINANCIAL FREEDOM, by Sue Ostrom	Ostrom	2
3	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	Gray	4
4	IN THE MEANTIME, by Lynne Venzant	Venzant	3

DO YOU LIVE IN  
BELGIUM, DENMARK,  
FRANCE, IRELAND, THE  
NETHERLANDS OR U.K.?

For information about subscribing, call toll free:

00800 4 448 7827

(00800 4 IHT SUBS)

Herald Tribune

THE WORLD'S DAILY NEWSPAPER



# THE INTERMARKET

+44 171 420 0348

## BUSINESS OPPORTUNITIES

**QUALITY 2nd PASSPORT**

- Visa free access to important countries and offshore banking centres
- No residence required in the country to qualify
- No tax liability for non-residents
- Delivery of passports two months after filing application
- Guaranteed results or all fees returned

**HALL & ASSOCIATES LTD**  
150 REGENT STREET LONDON  
W1R 5FA Tel: 0171 439 0288  
email: challese@classic.man.com

**EMPIRE STATE BUILDING ADDRESS**

Gain instant credibility. Establish a NY presence in the world's best-known building. Mail received, phone answering, correspondence, fax, furnished mail-office. (EMPIRE STATE BUSINESS CENTRE)  
Tel: 212-736-8072 Fax: 212-924-1135

### OFFSHORE COMPANIES

**OFFSHORE COMPANIES & TRUSTS TAX PLANNING**

Since 1977 we have specialised in advising on the use of offshore companies and trusts to achieve both personal and corporate tax savings. We incorporate in ALL offshore jurisdictions and offer full post incorporation services - all reasonable costs.

Example of Incorporation Fees:

ISLAND (UK)	US\$250
HONG KONG	US\$350
INTERNATIONAL COMPANY SERVICES LIMITED	US\$450

For immediate service contact:

**IRELAND - Eileen Murphy**  
Tel: +353 1 881 8440 Fax: +353 1 881 8443  
Email: eileen@ireland.com

**HONG KONG - Sharon Hanley**  
Tel: +852 2542 1177 Fax: +852 2542 0555  
Email: sharon@hk.com

**LONDON - Sharon Hanley**  
Tel: +44 171 482 4844 Fax: +44 171 481 0805  
Email: sharon@london.com

### CAPITAL AVAILABLE

**BUSINESS FINANCE AVAILABLE**

For any viable projects worldwide.

Fax brief synopsis in English to:  
Corporate Advances UK  
on  
+44 1273-621300

## TELECOMMUNICATIONS

**The Original New Lower Rates!**

**kallback**

- No Deposit
- No Minimum
- No Set Up Fees
- Instant Activation
- Ideal for Home, Office, Hotels and Mobile Phones

**Agents Wanted**

Tel: 1.206.599.1991  
U.S.: 1.800.965.1626  
Fax: 1.206.599.1981

**Super Low International Telephone Rates!**

From:	To the U.S.	To the U.K.	To Germany	To France
France	19¢	21¢	25¢	28¢
Germany	16¢	18¢	22¢	25¢
Switzerland	19¢	21¢	25¢	28¢
U.K.	12¢	14¢	18¢	21¢

**MaxTel**

Great rates from the U.S.  
1 (800) 965-1645

Tel: 1 (212) 629-3268  
Fax: 1 (212) 629-3269  
maxinfo@maxtel.com

## NOBODY SAVES YOU MORE ON INTERNATIONAL CALLS!

**NEW WORLD'S INCREDIBLE RATES TO THE U.S.**

Country	Rate
FRANCE	25¢
GERMANY	22¢
ITALY	32¢
SWITZERLAND	26¢
JAPAN	34¢
SPAIN	32¢

Most new customers are referred by satisfied NewWorld users. Now earn 20% by referring a friend. Numerous special services included. No extra charges.

Call: 201.287.8400 Fax: 201.287.8437  
In the U.K. call: 44.171.360.5037 Fax: 44.171.360.5036  
http://www.newworldtele.com http://www.newworldtele.com

BUSINESS TO BUSINESS AGENTS WELCOME 201.287.8400

## INT'L FRANCHISES

### Open A Flood Of Opportunity

Master Franchise opportunity in Environmental Services

**Insurance Restoration - Natural disasters can be sudden and devastating to homes & businesses. BMS Technologies Master Franchises are trained to restore everything from the structure to the contents. BMS Tech is also a leader in Environmental Indoor Air Quality. Join our worldwide network of Master Franchise owners.**

**BMS Technologies**  
1-817-332-1575  
Fax: 817-332-1518  
Email: bms@bms-tech.com  
www.bms-tech.com

**COMMERCIAL BANK**

with established correspondent relationship  
Class A license  
No qualification requirements  
Immediate delivery  
US\$60,000

Agents wanted worldwide  
Tel: 242-394-7080  
Fax: 242-394-7082

**Investment Opportunity In the USA**

Leading to "Green Card" status  
Send Name & Contact to  
FBI, P.O. Box 1466  
Singapore 902916

### LEADING INTERNATIONAL SPECIALISTS

Offshore Companies & Trust Formation

- Fast, efficient, professional.
- Management, accountancy & administration services.
- Bank introductions.

Bahamas	\$580
Belize - IBC	\$350
BY Islands	\$500
Cyprus	\$850
Delaware	\$495
Florida	\$295
Ireland (Non-Res)	\$225
Isle of Man	\$250
Jersey	\$495

Others on request

Credit Card payments accepted. Call NOW for more information.



Charterhouse Group Limited  
+44 1624 813566  
+44 1624 816339

International Herald Tribune ads work

**PASSPORTS**

EC visa free \$10K  
Agents needed

Call: 44-171-919-9451  
info@second-passport.com  
www.second-passport.com

**Banking**

EUROPEAN BANK issues for you POF, SEC, L/C, Guarantees. Interest free. High turnover. Low investment. Fax: +35 4 93 98 15 01. E-mail: alba@banking.com

### Business Opportunities

**OFFSHORE COMPANIES**

Comprehensive Services

Tel: +44 (0) 1824 62551  
Fax: +44 (0) 1824 625126  
E-mail: aston@astontrusts.co.uk  
Web Site: www.aston-trusts.co.uk

ASTON CORPORATE TRUSTEES LTD

**Imperial Gold Hong Kong, Inc.**

Presenting: KOTCO Inc. THE PROVEN ALL NATURAL ALCOHOL DETOXICANT, created by famous Chinese Scientists - made in USA.

Protects central nervous system and vital organs from alcohol abuse while liver cleans itself. Worldwide distributors - partnerships now being negotiated.

Fax: 1-814-782-8891  
Email: hgh@imperialgold.com

### OFFSHORE COMPANIES

READY MADE CO. LTD. ALL ADMIN. TRADE DOCUMENTS AND L/C BANKING & ACCOUNTING CHINA BUSINESS SERVICES

Contact Stella Ho for immediate services & company brochure  
NACS Ltd, Room 1108, Ashton Plaza, 24 Granville Road, TST, Kowloon, Hong Kong. E-mail: hoh@nacs.com.hk  
Tel: 852-27941223 Fax: 852-2726573

### SWISS RESIDENCE PERMITS

Low or NO tax for 10 years on qualifying businesses. Residence permits for "Key Managers". Private banking. Info on 2nd nationality programs in EU and elsewhere. ICCS Ltd, Tel: +41 32 725 5515 Fax: +41 32 725 5538 Email: iccs@iccs.ch

### Trade FUTURES & OPTIONS on the INTERNET

SPI Trading & Brokers Ltd. Switzerland, 18, 8024 Zurich

### EXPORTING TO EUROPE? Let us handle your storage/distribution/financing.

Established 40 years, we have warehouses facilities direct to London. Write to Box 681, HT, 63 Long Ave, London WC2E 9AH.

### COMMERCIAL COMPANY (SARL) with connections in international clearing

export experience, to accompany our services, export development. Tel: +33 69 610 224 Fax: 01 457 5346.

### WIT SOCIETY OF FINANCIERS

Network for financing projects with projects for funding or lending for projects. FREE. Allocated Report. 292-292-9007 Fax: 929-251-0001 USA

### 2nd PASSPORTS / Driving Licenses / Degrees/Certificates

Passports/Secret Bank Accounts. Fax: +3120-5241407, E-mail: 100131316@compuserve.com http://www.global-money.com

### WANTED: Distributors, Importers with existing dealer networks

to introduce worldwide a trendy outdoor walking boot collection. Made in Italy. Contact Box 697, HT, 92221 Nieuilly Cedex, France.

### OFFSHORE COMPANIES

For free brochure or advice Tel: London 44 181 74 1224 Fax: 44 181 74 65876336 www.applon.com

### UNLIMITED INT'L PROJECT Financing

lends in US\$ through our Private Finance Sources. Principals only. To: New York, fax: +38 0434 362822

### AGENTS WANTED TO Sell US Corporations & LLCs from \$200

Corporate Consulting Ltd. Tel: +33 202-950-0000 Fax: +33 202-950-0000

### 2nd PASSPORT \$10 K. Also EU, Diplomatic, Overseas License

Equal@Unit@ph.fr Fax: 03-8317552

### ARMAGNAC 100% bottle, 15-yr old, 35.5% F&B French dist. All French whis. from US\$21.11. Tel/Fax: +33 77 91 81 89

### FOR SALE: OFFSHORE BANKS & Banking Companies

Call New Belgium Tel: +32-7365-1023 Fax: +32-7365-1045

### GIFTWARE DISTRIBUTORS: needed worldwide for quality or fun. USA lines

Tel/Fax: +37 77 91 81 89

### IMPORT-EXPORT Broker since 15 yrs

Goods, foodstuffs, raw materials, tech-equip. To: New York, fax: +38 0434 362822

### SOFTWARE DISTRIBUTORS WANTED

Contact: Johnny Jia Fax: +42 21 381 476 E-Mail: johnny@challenger.com

### T-SHIRTS FOR EXPORT. No quota, no minimum. A M Hamaq

Tel: +41 76 42 34 84 Fax: +41 76 42 34 84

### TURKISH BUSINESS CENTRE

For trade in import/export, joint ventures, etc. Fax consultant: +90 212 253 0003

### Business Opportunities

\*\*\*\*\* WORLDWIDE NOVELTY \*\*\*\*\*  
To develop this revolutionary concept, seek exclusive partner in every country. High turnover, low investment. Fax: +35 4 93 98 15 01. E-mail: alba@banking.com

WE BUY US DOLLARS, we pay in any currency. Specific details only. We are located. Fax: +35 2 1 567677

### Franchising

World's Largest Internet Franchising seeking Master Franchises in France, Germany, Spain & Italy. Requires \$100,000+ U.S. investment. http://www.quil.fr/franchise money@quil.com Fax: +33 1 45 62 58 18

### Capital Available

INTERNATIONAL FINANCING SPECIALISTS over 30 years experience

Venture Capital - Commercial Mortgages Innovative Financing - Letters of Credit Minimum \$1 Million - Brokers Welcome

R.I.I. INTERNATIONAL Tel: 001-646-552-1048 Fax: 001-646-779-5520

### COMMERCIAL FINANCE

Business Loans - Venture Capital Worldwide - Brokers welcome

### ETHIC INVESTMENTS LTD

FAX: +353 1 478 5118

### "IMMEDIATE & UNLIMITED"

Capital available for ALL business projects MIN US \$1 million max. Tel: 001-646-552-1048 Fax: 001-646-779-5520 World Wide (001) 646-552-1048 Email: ethic@ethic.com

### PROJECT FINANCING

Send brief synopsis (in English) U.S. Fax: 978-389-0534 E-mail: project@icgroup.com

### Purchased/Discounted Lines of Credit

Guaranteed 100% credit. Funding of Negotiable Bank Instruments. Placement of Sales/Leasing Receipts - Invoice Discounting. Fax executive summary 202-725-0182 USA

### U.S. INVESTING PARTNERS looking for projects

start-up, expand, purchase, etc. Fax: 202-725-0182 Fax: 202-725-0182 E-mail: uic@uic.com

### Business Services

**ATELIA MANAGEMENT LTD** (Offshore Corporate & Trust) Contact: Tony Goughan about Tel/Fax: +44 1294 610377/610316 E-mail: atelia@compuserve.com or Berman Capital, France Tel/Fax: +33 2 99762896/7604

### SECOND PASSPORTS. E.U. countries

Very serious offers. Only genuine requests. Tel: 002-6200155 Fax: 002-64-863235 E-mail: yugos@worldnet.com

### NYC LAW FIRM - BUSINESS

Real Estate, Corporate, Bankruptcy, etc. Tel: 212-777-5400 Fax: 212-777-5255 E-mail: coheng@att.net

### ADMINISTRATIVE / LOGISTICAL SUPPORT

in GENEVA, Mobile: +41-79-203-41 02 Fax: +41-22-783 58 56 E-mail: min@minswiss.com

### CONFIDENTIAL: meeting address

registered office in UK/business services Fax: +44 (0)1924 200881

### YOUR OFFICE IN LONDON

Bank Street - Mail, Phone, Fax, Tel: 44 171 290 9000 Fax: 171 489 7517

### Import/Export

BUYING OUTLET FOR THE LARGEST Trading Companies. Branded and Luxury goods. WE ARE BUYERS FOR: Fragrances, cosmetics, watches, pens, chateaux, crystals, handbags, optical frames, sunglasses. Tel: 001-212-607-0573 Fax: +1-212-688-1561. All calls treated with the utmost confidence.

### DRINKING GLASSES. All types

lowest prices, volume only. Fax USA: +454-474-3885

### REDWINE ITALIAN WINES, 1.5 Ltr. & 5.0 Ltr. lowest prices, volume only

Fax USA: +454-474-3885

### Computers

COMPUTER MONITORS BRAND NEW, discounted prices. Tel: 001-646-552-1048 Fax: 001-646-779-5520

### Diamonds

DIRECT FROM ANTWERP, the world's diamond centre. Buy or selling contact ANTEK INT'L DIAMOND CO. Tel: +32 3 232 49 60 Fax: +32 3 232 25 67

### ROUGH DIAMONDS. We will pay instant cash for gem quality. Jobs urgent, volume only

Fax: 354 474-9888 USA

### Financial Investments

**DIRECT PROJECT FUNDING** Investors wanted for credit business of US\$ 100,000 up to 50 million or more. 100% discrete handling. Long-term business relationship. Prof. Dr. phil. Hans A. Gurenschke, Tel: +49-851-500-200

**HIGH YIELD investment & collateral** Used US life insurance & policies. Call Fax: (41) 81-252-1188 Internet homepage: http://members.aol.com/usafraser1.html

### Financial Services

**FINANCIAL PROFESSIONALS**

**SAVE ON BANK LOANS** w/ Collateral-Backed Loans. Pay interest only.

**ENROLL IN OUR CONSULTANT TRAINING PROGRAM**

We Locate Funds

Eric A. Klein, ESQ.-Attorney/Financier

**INTERNATIONAL DEVELOPING ENTERPRISES AGENCY (IDEA)** 215-781-0200 Fax: 215-781-4492 World Wide (001) 646-552-1048 Email: pangloss@earthlink.net

### FINANCIAL SERVICES

**ETHIC INVESTMENTS LTD** FAX: +353 1 478 5118

### "IMMEDIATE & UNLIMITED"

Capital available for ALL business projects MIN US \$1 million max. Tel: 001-646-552-1048 Fax: 001-646-779-5520 World Wide (001) 646-552-1048 Email: ethic@ethic.com

### PROJECT FINANCING

Send brief synopsis (in English) U.S. Fax: 978-389-0534 E-mail: project@icgroup.com

### Purchased/Discounted Lines of Credit

Guaranteed 100% credit. Funding of Negotiable Bank Instruments. Placement of Sales/Leasing Receipts - Invoice Discounting. Fax executive summary 202-725-0182 USA

### U.S. INVESTING PARTNERS looking for projects

start-up, expand, purchase, etc. Fax: 202-725-0182 Fax: 202-725-0182 E-mail: uic@uic.com

### Business Services

**ATELIA MANAGEMENT LTD** (Offshore Corporate & Trust) Contact: Tony Goughan about Tel/Fax: +44 1294 610377/610316 E-mail: atelia@compuserve.com or Berman Capital, France Tel/Fax: +33 2 99762896/7604

### SECOND PASSPORTS. E.U. countries

Very serious offers. Only genuine requests. Tel: 002-6200155 Fax: 002-64-863235 E-mail: yugos@worldnet.com

### NYC LAW FIRM - BUSINESS

Real Estate, Corporate, Bankruptcy, etc. Tel: 212-777-5400 Fax: 212-777-5255 E-mail: coheng@att.net

### ADMINISTRATIVE / LOGISTICAL SUPPORT

in GENEVA, Mobile: +41-79-203-41 02 Fax: +41-22-783 58 56 E-mail: min@minswiss.com

### CONFIDENTIAL: meeting address

registered office in UK/business services Fax: +44 (0)1924 200881

### YOUR OFFICE IN LONDON

Bank Street - Mail, Phone, Fax, Tel: 44 171 290 9000 Fax: 171 489 7517

### Import/Export

BUYING OUTLET FOR THE LARGEST Trading Companies. Branded and Luxury goods. WE ARE BUYERS FOR: Fragrances, cosmetics, watches, pens, chateaux, crystals, handbags, optical frames, sunglasses. Tel: 001-212-607-0573 Fax: +1-212-688-1561. All calls treated with the utmost confidence.

### DRINKING GLASSES. All types

lowest prices, volume only. Fax USA: +454-474-3885

### REDWINE ITALIAN WINES, 1.5 Ltr. & 5.0 Ltr. lowest prices, volume only

Fax USA: +454-474-3885

### Computers

COMPUTER MONITORS BRAND NEW, discounted prices. Tel: 001-646-552-1048 Fax: 001-646-779-5520

### Diamonds

DIRECT FROM ANTWERP, the world's diamond centre. Buy or selling contact ANTEK INT'L DIAMOND CO. Tel: +32 3 232 49 60 Fax: +32 3 232 25 67

### ROUGH DIAMONDS. We will pay instant cash for gem quality. Jobs urgent, volume only

Fax: 354 474-9888 USA



## Will Crisis Sink World Economy?

Effect of Falling Markets On Consumers Is the Key

By Anne Swardson  
Washington Post Service

PARIS — Carnage in the markets and economies of Asia, Latin America and Russia. Steep declines in the financial markets of New York and European capitals. At what point does it all close in on the world economy? Will the crisis in global financial markets lead to a crisis in the world economy? Will the troubled developing regions of the world pull the healthy components — the United States and Western Europe, mostly — into a recession? Will the world economy melt down?

Most likely not, experts say, but things sure are not improving. And they may get worse.

"There is no longer an international economic buffer in Europe and the United States," said Andrew Bernat, an economics professor at the Yale School of Management. "Any mistakes in policy will be felt immediately. All the other economies are in bad shape or difficulty."

The deciding factor, economists on both sides of the Atlantic said, will be the impact of stock market declines on consumer buying decisions. If people pull off purchases because the depressed Dow Jones industrial average — or the DAX in Frankfurt or the CAC-40 in Paris — leaves them feeling poorer, the world economy will feel the pain.

"An economy is not a machine," said Max Steiner of the London School of Economics. "It reacts to the decisions of millions of people, and people are funny creatures. If enough people think it is a real disaster, it is a real disaster."

Yet the crisis in world financial markets comes as both the United States and Europe, together about two-thirds of the world economy, are in excellent economic health. In Europe, 11 of whose countries are preparing to merge their currencies into one beginning in January, inflation and interest rates are low

See IMPACT, Page 15



Tourists in New York inspecting the symbol of an advancing stock market that adorns lower Broadway.

## Investors on Edge, but Not in Panic

By Robert D. McFadden  
New York Times Service

NEW YORK — Gloom, fear, pain and queasiness.

Across the United States, the anxieties ran high Monday as investors large and small watched the jagged lines fall and much of the year's profits evaporate in a breathtaking 512-point plunge on Wall Street.

Many called it scary, but almost no one seemed ready to panic.

The day's paper losses were heavy. But conditioned by years of bull-market bravado and still confident in the fundamental soundness of America's economy, most investors interviewed in New York, Atlanta, Boston, Denver, Los Angeles, Miami, Seattle and elsewhere voiced expectations that the market would bounce back and said they had no intention of getting out, not yet anyway.

"I'm not thrilled," said Germaine Meilach, 61, a Manhattan investor, as she sipped a drink at a sidewalk cafe after the market's cascading close. "But I still feel things are good. I don't see a reason to panic. You can't have 28 percent earnings all the time. I think people would be foolish to get out. We have to be patient."

In Seattle, Peter Hurley, a city planner, agreed, although he lost 10 percent of his net worth on Monday. "It's disturbing, to put it mildly," he said. "But I'm taking the long view of it. The fundamentals are no different from a few weeks ago, but obviously the psychology is very different. We tend to think we're so damn logical, but we're still driven by fear and desire."

In Atlanta, Burdette Henry, who has stocks and mutual funds, sounded like a Wall Street pro. "I'm going to ride it out," she said. "I'm concerned, but I understand that if you're going to invest

in the stock market you can't panic at certain things. I think you have to have a certain temperament, and if you panic with every change you probably shouldn't be in the market."

And in Stamford, Connecticut, Josephine McArthur, 52, the president of an after-school enrichment center for children, said she planned to hang tough in a market that has been good to her in recent years. "It's like childbirth," she said. "It's not easy when you're going through it, but after the pains your whole life is better. The party's not over for me."

No one seemed oracular. There were brokerage-house jokes about looking for tall buildings or jumping out first-floor windows. One investor called himself a cautious bull. Many spoke of Monday's plunge — the second-highest point drop in market history — as a correction that had long been expected.

## Boeing Takes Action To Reverse Its Losses

Firm Replaces Executive and Restructures

Compiled by Our Staff From Dispatches

SEATTLE — Boeing Co. said Tuesday it was replacing the head of its commercial-airplane unit after a year of manufacturing delays and slumping profit and was restructuring some operations.

Ronald Woodard, 55, president of the Boeing Commercial Airplane Group, will be replaced by Alan Mulally, the chief of Boeing's defense and space group, the company said. Mr. Mulally, 53, also managed the introduction of the best-selling 777.

"We have experienced unsatisfactory financial performance with our commercial-airplane operations," Chairman Phil Condit said. "We concluded there must be significant changes in the composition of the management team at this time."

The management reshuffle would indicate that Boeing is moving to assign responsibility for production problems that cost the company \$2.6 billion in pretax charges in 1997 and 1998, a time when orders were surging.

The company posted a 1997 loss of \$178 million, the company's first annual shortfall in 50 years.

Boeing also recently lost business to Airbus Industrie, and Mr. Condit is being pressured by shareholders to bolster profit quickly.

"He's got to show results to earn his bonus and keep his job," said Robert Finch, a money manager at Aetna Investment Management. "If you don't make money when the sun is shining, you've failed your charge."

On Monday, Boeing said its board had authorized a share buyback of as much as 15 percent of its common stock in a bid to bolster its shares from a three-year low. The stock closed at \$33.0625, up \$2.125.

"Performance matters," said Howard Rubel, analyst with Goldman Sachs in New York. "There was probably an impatience with the way things are going," he said, referring to Mr. Woodard's departure.

Mr. Woodard, who has been with Boeing for 32 years, was offered another position at the company and is weighing his options, said Larry McCracken, a Boeing spokesman.

The commercial-airplane group — Boeing's largest division — has been plagued in the past year by parts short-

ages and other production snarls because of a surge in jetliner orders and problems in bringing out new models of its popular 737 jetliner.

Last week, British Airways PLC said it would buy as many as 220 planes worth \$13 billion from Airbus and Boeing, the British airline's biggest order ever and its first from the European partnership. Boeing, until now the dominant supplier to Europe's largest airline, won firm orders for just 16 of its 777 long-range planes and options for 16 more.

Mr. Condit also said Boeing has formed two new operating groups in addition to the existing commercial-airplane unit. (AP, Bloomberg, AFX)

## IBM Said to Seek Buyer for Global Network Operation

Reuters

NEW YORK — International Business Machines Corp. is trying to sell its Global Network unit, a deal that could bring the computer maker \$3 billion to \$4 billion, sources familiar with the plan said Tuesday.

The world's largest computer maker has hired Merrill Lynch & Co. as the broker to sell the business, one of the most heavily trafficked data communications networks in the world, but the effort remains preliminary and no deal is imminent, the sources said.

Selling the unit would allow IBM to focus on its mainstay software and hardware businesses, they said.

Officials at IBM declined to comment. Bankers working on the deal at Merrill Lynch also declined to comment.

Global Network, which grew out of IBM's in-house phone system, acts as the backbone for its internal network operations and those of 35,000 corporate customers in 900 cities around the globe.

## Europe's Bourses Cut Their Losses

By Alan Cowell  
New York Times Service

LONDON — With a nervous eye on every tremor from Wall Street, European stocks slumped, seasawed and stumbled through a roller-coaster day of edgy trading, to close well down from July highs but not quite so low as some analysts feared when the markets opened Tuesday.

"We have come most of the way down and most of these European stocks can rebound," said Mark Howdle, head of European strategy at Salomon, Smith Barney in London. "It's not necessarily all doom and gloom. People are perhaps beginning to believe the worst is over."

By contrast, other analysts said the wild swings in the market betokened what David Schwartz, a stock market historian, called nervousness "associated with bad times ahead."

Europe's principle markets in London, Frankfurt and Paris opened Tuesday with rapid-fire losses that initially stripped more than \$40 billion off the value of British shares and sent the FTSE index to its lowest since Jan. 13, reflecting what Udo Behrenwaldt, manager of Deutsche Bank's DWG mutual funds in Frankfurt, termed "the shock from New York" caused by the Dow Jones' 512-point loss Monday.

British markets were closed Monday because of a public holiday and took the brunt of early losses with a 3 percent fall in the FTSE index of leading London shares. The European declines began to ease, however, when traders factored in

data suggesting that Wall Street would rebound.

Europe's markets, like those in the United States, have been sliding because of chaos in Russia and continued worries about Asia, reinforced Tuesday by the imposition of currency controls in Malaysia and falling stock markets in many parts of the region.

But the principle factor Tuesday was Wall Street, analysts said. European

**"It really does come down to Wall Street. I don't think European markets can revive independently."**

markets gyrated in harness with U.S. markets as the Dow Jones industrial average fluctuated wildly, veering from a 100-point gain to a 100-point retreat. "It really does come down to Wall Street," Mr. Howdle said. "I don't think European markets can revive independently."

By the time European markets closed, the Dax was 1 percent up, erasing some early European losses, but leaving most markets down on the day. The FTSE closed 1.5 percent down while the Paris Bourse was unchanged from its opening levels and Frankfurt's Xetra DAX index closed 1 percent higher. Other markets in Zurich, Madrid and Milan all fell on the day.

Since Russia devalued the ruble and delayed repayments of debt on Aug. 19, European markets have been badly mauled.

The Frankfurt DAX is down by almost 17 percent over the past two weeks — a sign of Germany's particular skittishness and financial exposure to Russia — while the London FTSE index is down 15 percent from its July highs.

The drop Monday on Wall Street also sent the dollar down against the Deutsche mark and Japanese yen — a reflection of worries about the repercussions of falling stock prices on the American economy.

Michael Derks at Nomura International in London said any sign that the U.S. economy is "losing its sparkle" would weaken the dollar. Since New York stocks began their decline last week, the dollar has lost 4 percent against the mark, 5 percent against the Swiss franc and 5 percent even against the ailing Japanese yen.

Confronting Russia's meltdown, European officials insist that the crisis will not be resolved by injections of money. Even a further \$10 billion or \$15 billion would not help as long as there was no effective government in Moscow, said Johann Fuenfusser, economic minister of Austria, which holds the rotating presidency of the European Union.

But there was no unanimity on whether, as some analysts suggested, European stocks had definitively ended their bull run after the slide from earlier highs.

"I don't think anybody knows how permanent it's going to be," Mr. Howdle said. But Mr. Derks said that European stocks were "emphatically in a bear market."

## CURRENCY & INTEREST RATES

Cross Rates									
	Sept 1	Sept 2	Sept 3	Sept 4	Sept 5	Sept 6	Sept 7	Sept 8	Sept 9
Australian dollar	1.575	1.570	1.565	1.560	1.555	1.550	1.545	1.540	1.535
British pound	1.640	1.635	1.630	1.625	1.620	1.615	1.610	1.605	1.600
Canadian dollar	0.680	0.675	0.670	0.665	0.660	0.655	0.650	0.645	0.640
French franc	6.540	6.535	6.530	6.525	6.520	6.515	6.510	6.505	6.500
German mark	1.360	1.355	1.350	1.345	1.340	1.335	1.330	1.325	1.320
Japanese yen	108.00	107.50	107.00	106.50	106.00	105.50	105.00	104.50	104.00
Swiss franc	1.480	1.475	1.470	1.465	1.460	1.455	1.450	1.445	1.440
U.S. dollar	0.600	0.595	0.590	0.585	0.580	0.575	0.570	0.565	0.560
Other Dollar Values									
Argentine peso	0.00999	0.00998	0.00997	0.00996	0.00995	0.00994	0.00993	0.00992	0.00991
Australian dollar	1.575	1.570	1.565	1.560	1.555	1.550	1.545	1.540	1.535
British pound	1.640	1.635	1.630	1.625	1.620	1.615	1.610	1.605	1.600
Canadian dollar	0.680	0.675	0.670	0.665	0.660	0.655	0.650	0.645	0.640
French franc	6.540	6.535	6.530	6.525	6.520	6.515	6.510	6.505	6.500
German mark	1.360	1.355	1.350	1.345	1.340	1.335	1.330	1.325	1.320
Japanese yen	108.00	107.50	107.00	106.50	106.00	105.50	105.00	104.50	104.00
Swiss franc	1.480	1.475	1.470	1.465	1.460	1.455	1.450	1.445	1.440
U.S. dollar	0.600	0.595	0.590	0.585	0.580	0.575	0.570	0.565	0.560
Forward Rates									
30-day	1.6744	1.6719	1.6694	1.6669	1.6644	1.6619	1.6594	1.6569	1.6544
60-day	1.6744	1.6719	1.6694	1.6669	1.6644	1.6619	1.6594	1.6569	1.6544
90-day	1.6744	1.6719	1.6694	1.6669	1.6644	1.6619	1.6594	1.6569	1.6544
180-day	1.6744	1.6719	1.6694	1.6669	1.6644	1.6619	1.6594	1.6569	1.6544
360-day	1.6744	1.6719	1.6694	1.6669	1.6644	1.6619	1.6594	1.6569	1.6544
Libor-Libor Rates									
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
12-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Key Money Rates									
3-month T-bill	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
6-month T-bill	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
9-month T-bill	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
12-month T-bill	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
3-month Eurodollar	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
6-month Eurodollar	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
9-month Eurodollar	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
12-month Eurodollar	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
3-month Japanese yen	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
6-month Japanese yen	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
9-month Japanese yen	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
12-month Japanese yen	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50

Global Private Banking

## WE ATTRACT NEW CLIENTS BY SERVING PRESENT CLIENTS EXCEPTIONALLY WELL.

Exceptional service demands personal attention as well as genuine concern for the financial well being of our clients. And so we run our bank according to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence. This sophisticated conservatism, vigorously pursued, has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is twice as great as that required by the world's international banking regulators.

To our way of thinking, it is security as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.

**Republic National Bank of New York**  
Strength. Security. Service.

A Safe Bank • New York • Geneva • London • Beijing • Taipei • Hong Kong • Buenos Aires • Cayman Islands • Copenhagen • Frankfurt • Madrid • Milan • Moscow • New York • Paris • Rome • San Francisco • Singapore • Sydney • Tokyo • Toronto • Zurich











## ASIA/PACIFIC

Asia Shares  
Fall After  
Wall Street  
ShuddersBy Sheryl WuDunn  
New York Times Service

TOKYO — Asian stock markets fell Tuesday, battered by apprehension about slower economic growth in the West and a return to the turmoil that began in the region more than a year ago.

"It's not just a matter of the response of Wall Street to global events," said Paul Schulte, regional strategist at ING Barings Securities in Hong Kong. "It's that it just comes around again and bites Asia in the behind."

That apprehension was visible Tuesday in jittery markets throughout the region. The Tokyo stock exchange managed Tuesday to eke out a small gain, rising 1.9 percent, to 14,369.63, as pension funds scoured the floor for bargains. But Hong Kong's Hang Seng index tumbled 2.92 percent, to 7,062.47, and most other exchanges in the region were down as well.

In Tokyo, the stock market has been flailing with new 12-year lows in the past few days, as investors remain skittish over the prospect of financial reform. The financial community has been engulfed by a debate over what to do with the nation's ailing banks. The administration of Prime Minister Keizo Obuchi has been hoping to engineer a "soft landing" for the teetering banks, while the opposition has been demanding swift surgery on weak institutions.

"The Obuchi administration has been receiving a series of wake-up calls, with the weakening of the yen and weakening equities," said Kevin Heber, strategist at Warburg Dillon Read in Tokyo. "Is the pressure sufficiently hot that we'll begin to see reform?"

Singapore stocks fell, following the tumble in Malaysian stocks after Malaysia moved to restrict the flow of its currency outside the country. The benchmark Straits Times index fell 33.10 points, or 3.86 percent, to 823.33, the largest drop since January this year. It has tumbled 7 percent so far this week.

"It's a very, very bleak picture," said Simon Mahadevan Flint, head of research at IDEA, a consulting firm in Singapore. "That's really reflected by what Malaysia has done. It's an act of desperation in a very, very difficult time."

In Hong Kong, the government held back from the stock market for a second day as the city's equities clearinghouse tightened rules and the futures exchange weighed trading limits to curb bets against shares.

Trading was the slowest in more than a week because many fund managers shunned the Hong Kong market on concern the government would start buying stocks again.



Lee Jong Dae, president of Kia Motors Corp., announcing Tuesday that the bidding for the company had been "aborted."

Kia Motors to Give  
Bidders a 2d ChanceBy Don Kirk  
International Herald Tribune

SEOUL — Kia Motors Corp. promised Tuesday to give bidders a fresh chance at buying both Kia Motors and its subsidiary, Asia Motors, after admitting its first auction had been a failure.

The president of Kia Motors, Lee Jong Dae, formally announced that "the bidding was aborted" after the two leading bidders, newly founded Samsung Motor Co. and Daewoo Motors Corp., Korea's second-largest motor vehicle maker, had indicated they wanted write-offs of part of Kia's \$10 billion debt.

Mr. Lee said Kia, in court receivership under a court-appointed chairman after declaring itself bankrupt last year, would ask creditor banks "to write off some of Kia and Asia's debts." He did not say how much, however, and did not predict the outcome of talks with banks.

The other bidders, Hyundai Motor Co., the country's largest motor vehicle maker, and Ford Motor Co., which owns 16.9 percent of Kia's shares along with its Japanese partner, Mazda Motor Corp., were also expected to ask for write-offs. They both submitted bids below the minimum share price set by the auction committee.

Mr. Lee apologized for what he said had been "some confusion in the bidding process," which he said Kia would rectify in the next bidding. He complained that bidders in the first auction should have known that they could not demand a write-off of debts.

The refusal of Korean banks to write off loans to Kia was largely responsible for scuttling the auction, said Park Song Bae, executive managing director of the classified assets department of the government's Korea Development Bank.

At stake is not only the Kia debt but more billions of dollars owed by other bankrupt companies, whose potential buyers will also want write-offs. This auction is likely to set a precedent that may help chart the course for a range of industries battling to survive Korea's economic crisis.

"Until now Korean companies are accustomed only to rescheduling debts but no write-offs," Mr. Park said. "But we will have to do it."

## Unions Reject Agreement

Hyundai's labor union rejected a government-arranged agreement on layoffs Tuesday, renewing concern over strikes at the automaker, news services reported from Seoul.

The agreement — concluded last week to end a three-month strike by Hyundai workers — was voted down by 63.5 percent of the 26,932 workers at a union meeting Tuesday, a Hyundai spokesman said.

Hyundai and its union had earlier agreed to end the strike. A sixth of what the company originally demanded — to end the strike.

Also on Tuesday, Hyundai said vehicle sales in August plummeted as a result of the labor dispute. August sales were down 90.3 percent from a year earlier, when they totaled 112,066.

Other South Korean automakers have been battered by consumers' reluctance to spend amid rising unemployment and economic uncertainty. Daewoo Motor posted domestic sales for the eight months ended August that were 49.2 percent down from a year earlier. Kia Motors suffered a sales drop in August of 28.1 percent from a year earlier. (Bloomberg, AFP)

## A Brighter Future for Indonesia?

Top Official Cautiously Points to Signs of a Mending Economy

By Mark Landler  
New York Times Service

JAKARTA — At a time when investors seem ready to hang black crepe over the global economy, Indonesia's finance minister, said Tuesday he had become guardedly optimistic about one of the world's most hard-hit economies.

Ginandjar Kartasasmita, the coordinating minister for economy, finance, and industry, said that Indonesia's currency, the rupiah, had strengthened more quickly than he had expected. Barring any fresh calamities, he also said Indonesia's economy could show a positive growth rate in two years.

Mr. Ginandjar, who served under President Suharto and was kept on by Mr. Suharto's successor, B.J. Habibie, said the government had moved swiftly to repair the shattered economy by taking over insolvent banks and negotiating a deal to restructure its crushing corporate debt.

"If you compare us to other governments," Yehsin, China, whom Mr. Ginandjar said was moving more rapidly than many others, said Mr. Ginandjar, a 57-year-old bureaucrat who has played his cards to the global financial community into a powerful position in the Habibie government.

Mr. Ginandjar's main cause for optimism is the rupiah, which has risen by 28 percent in the past two months, after all but collapsing during the riots and political turmoil that convulsed the country last May.

If the rupiah continues to rise at this rate, Mr. Ginandjar said the government would surpass its target of getting the exchange rate to 10,000 rupiah to the dollar by the end of the year. After the dollar rose as high as 17,000 rupiah last winter, it fell to 11,100 rupiah late Tuesday.

A stronger rupiah would allow the government to cut subsidies and it would ease the burden of Indonesia's \$140 billion in public and private debt, Mr. Ginandjar said.

Mr. Ginandjar acknowledged that Indonesia still faced profound economic problems. Inflation is surging at an annual rate of 80 percent, a fifth of Indonesia's 92 million workers are unemployed, and economists project that the country's output will contract by 15 percent this year.

Even worse, a new report by the International Labor Organization projects that 75 million people, or 37 percent of Indonesia's population, will fall below the poverty line by the end of this year. That could rise to 100 million people by 1999 — the highest poverty levels since the mid-1960s.

"These are not normal times," Mr. Ginandjar said. "What happened in May will have a long-lasting effect on Indonesia," he said, referring to the riots that left 1,200 people dead, Jakarta in flames, and the economy in ruins.

Still, Mr. Ginandjar said Indonesia was sticking to the terms of its latest agreement with the International Monetary Fund. The government recently took over the nation's largest private bank, Bank Central Asia, and announced plans to shut down three other banks and merge four state-owned ones.

Indonesia has also restructured its \$80 billion in private debt with foreign lenders, rather than threatening to impose a debt moratorium, as Russia did. "We still need to have the confidence of the global markets that we are playing by the rules," Mr. Ginandjar said.

In the short run, Mr. Ginandjar said that a slowdown in the United States would benefit Indonesia, since it would stem the flow of capital from Asia across the Pacific. If that capital remained in Asia — or fresh capital returned to the region — that could further buoy the rupiah.

Cabinet in Bangkok Approves Plan  
To Privatize 51 State-Owned Firms

Compiled by Our Staff From Dispatches

BANGKOK — The cabinet approved a master plan Tuesday for a mass sell-off of state assets under a privatization drive to pay off the Thai government's foreign debt, officials said.

A Finance Ministry official, who was at the meeting when the plan was passed, said it covered privatizations in telecommunications, energy and water, among others.

He said 51 state enterprises were covered by the plan, under which a special privatization body would be established to oversee the process.

The plan is part of Thailand's commitments to reform under its \$17.2 billion dollar bailout program organized last year by the International Monetary Fund.

Separately, the Ministry of Commerce said Tuesday that the country's inflation rate had begun to slow and would finish the year below the target set by the Fund. Consumer prices rose 7.6 percent in August from a year earlier, while wholesale prices jumped 12.9 percent. The consumer rate slowed from a peak in June of 10.7 percent from a year before, the biggest increase in a decade.

In the first eight months of the year, consumer prices rose 9.5 percent over the same period last year.

Karun Kittiporn, director general of the ministry's Business Economics Department, said the retail inflation rate for the whole year should come in under the most recent target of 9.2 percent specified by the IMF. (AP, AFP)

## IMPACT: Will Crisis in Markets Sink Healthy Economies?

Continued from Page 11

and growth is healthy. In the United States, unemployment is below 5 percent and interest rates are at their lowest levels since the 1960s.

There are essentially two ways for that health to be eroded by leaking trouble from Asia, Russia and now that it is caught in the downdraft — Latin America, experts say.

The first is through trade relations with the troubled regions. As Asian economies decline, citizens have less money to buy goods imported from Western countries. Manufacturers in those countries must reduce investment, lay off workers or both.

But that process is not considered likely to throw American and European economies into recession. For one thing, the two continents mostly trade with one another. Exports to Asia are a relatively small part of total exports, and exports in general are a relatively small part of total activity.

In the United States, for instance,

exports account for roughly 12 percent of gross national product. About one-third of those go to Asia, including Japan, said C. Fred Bergsten of the Institute for International Economics. If the crisis means Asia cuts its American purchases by one-third, say, that is a reduction of only 1 percent of gross domestic product.

In addition, Mr. Bergsten pointed out, there are offsetting advantages to the United States and Europe in the Asian crisis. Capital that is pouring out of investments in Asia and Russia is looking for a home. To the extent that it is parked in Western countries, the laws of economics mean interest rates — and thus loans such as mortgages — can become cheaper as money is more plentiful.

Similarly in Europe, Russia is a nearly negligible part of the Continental economy. With a GDP one and a half times the size of Switzerland's — on a population 21 times as large — Russia absorbs only 1.3 percent of the exports that leave the European Union. Even

Germany, the European country most exposed to Russia, sends less than 2 percent of its exports there. The nations of Europe trade a great deal, but in overwhelming proportions with each other and the United States.

Financially, the dangers to Germany are greater. Its banks hold \$30 billion in short-term loans to Russian interests. And those are nearly all guaranteed by the government. Chancellor Helmut Kohl said this week that confidence in Russia must be restored quickly. "You all know from the news how important, significant and possibly dangerous developments in Europe are." And the finance ministers of Germany, France, Italy and Great Britain sent a letter to Russian authorities last week pressing for banking and tax reforms.

See our  
Residential Real Estate  
every Friday in The Internet

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
12000	1700	16750		
10000	1500	15000		
8000	1300	13500		
6000	1100	12000		
4000	900	10500		
2000	700	9000		
0	500	7500		
1998	1998	1998		
Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,062.47	7,275.04	-2.92
Singapore	Straits Times	885.26	856.43	+3.37
Sydney	All Ordinaries	2,438.20	2,480.70	-0.31
Tokyo	Nikkei 225	14,369.63	14,107.89	+1.86
Kuala Lumpur	Composite	262.70	302.91	-13.27
Bangkok	SET	211.08	214.58	-1.60
Seoul	Composite Index	308.71	316.16	-0.15
Taipei	Stock Market Index	6,335.09	6,550.11	-3.28
Manila	PSE	1,191.76	1,192.25	-0.04
Jakarta	Composite Index	3,265.85	3,424.44	-4.84
Wellington	NZSE 40	1,760.08	1,827.56	-3.69
Bombay	Sensitive Index	2,862.55	2,838.85	-2.43

## Very briefly:

- Nomura Securities Co., Japan's biggest broker, reported that it has sustained \$350 million in losses on Russian bonds in the past year.
- Sakura Bank Ltd. of Tokyo will cut 3,000 jobs by the end of March 2001, and about 50 domestic branches and 23 overseas branches will be closed, the daily Nihon Keizai Shimbun reported.
- Bank of Tokyo-Mitsubishi Ltd., Japan's largest lender, will offer 24-hour automated teller machine services at 11 branches and extend ATM weekend and holiday operating hours at others starting Oct. 26.
- AMP Ltd., Australia's largest funds manager and life insurance company, will increase its offer for GIO Australia Holdings Ltd. if necessary to ensure it is worth at least 4.88 Australian dollars (\$2.78) a share.
- The Australian central bank's profit rose more than 60 percent in the year ended June 30 after it sold two-thirds of its gold and bought higher-yielding U.S., German and Japanese government bonds. The bank's profit was 4.4 billion Australian dollars, up from 2.7 billion Australian dollars in the previous year.
- Garuda Airlines, Indonesia's troubled flag carrier, will sell five DC-10's and several F-28 aircraft next year and will only use Airbus and Boeing aircraft as part of its efforts to streamline operations. (Bloomberg, Reuters, AP)

Philippine Airlines' Loss Widens  
As Work Stoppages Take Toll

The Associated Press

MANILA — Philippine Airlines, which has been devastated by recent strikes, said Tuesday its first-quarter loss had widened to 2.2 billion pesos (\$49.7 million), mainly because of work stoppages.

A year earlier, the airline posted a loss of 502.9 million pesos.

Company executives said a 22-day strike by pilots in June dealt the heaviest damage, canceling two-thirds of the airline's flights and causing revenue losses of about 200 million pesos a day.

The airline said its losses also rose because of soaring dollar-denominated payments and continuing lease payments on unused planes, which have not yet been returned.

In a financial report submitted to Manila's Securities and Exchange Commission, the airline said its liabilities increased to 26.67 billion pesos in the first quarter, which started in April, from 9.83 billion pesos in the preceding quarter.

The airline is seeking to restructure its debts and has obtained permission to suspend \$2 billion in payments to domestic and international creditors while it prepares a rehabilitation plan.

## Tata Drops Air Plans

Tata Group, India's biggest conglomerate, has abandoned plans to start a domestic airline and blamed the government for delaying approval, Bloomberg News reported from Bombay.

Last year, the government banned a joint venture between Tata and Singapore Airlines Ltd. Tata then applied to start an airline alone, but politicians expressed concern that foreign airlines would have indirect control of the company.

How and when the European Union will expand is one of the top issues being confronted during Austria's six-month presidency of the EU.

Don't miss the Sponsored Section  
Austria: Spotlight on EU  
Enlargement  
on September 5, 1998

Herald Tribune  
PUBLISHED WEEKLY ON WEDNESDAY AND FRIDAY  
THE WORLD'S DAILY NEWSPAPER

## First six months 1998

Sharp profit increase for the first six months  
1998: +74% to U.S.\$1.9 billion.

- Acquisitions and special factors contributed substantially to this net profit increase.
- Interim dividend determined at U.S.\$0.64: +30%.

(in millions of dollars, except for amounts per share)	first six months 1997 published	first six months 1997 adjusted	first six months 1998	% change
Result before taxation: ***	683	801	1,423	54.9**
- Income tax expense	684	724	1,192	62.3**
- Goodwill impairment	953	1,084	1,085	73.8**
Net profit	1,25	0.49	2.04	62.7
Net profit per ordinary share	0.49	0.49	0.64	30.0
Interim dividend per ordinary share				
31 December 1997 published		31 December 1997 adjusted	30 June 1998	
Total assets	204,419	204,416	446,853	46.8**
Shareholders' equity***	22,629	23,715	31,853	34.2**

Adjusted for the changes in the accounting principles compared with the adjusted figures.  
\*\*\* Remeasured.  
\*\* Assets and shareholders' equity: U.S.\$1.00 = NLG 2.03814 (average exchange rate)  
U.S.\$1.00 = NLG 2.03800 (exchange rate on 30 June 1998)

- Net profit increased sharply by 74% to U.S.\$1.9 billion. Acquisitions as well as profits from the partial sale of the interest in Libertel (mobile telephone network) and the sale of the participation in Kredietbank (Belgium) contributed substantially to this increase.
- Excellent net profit contributions from the recently acquired operations Bank Brussels Lambert (BBL) (U.S.\$262 million), Equitable of Iowa (U.S.\$44 million) and Furman Selz (U.S.\$19 million).
- Good profit contribution from the worldwide insurance operations as well as the domestic banking operations; substantially lower profit contribution from corporate and investment banking in emerging markets.
- The item Value adjustments to receivables of the banking operations amounted to U.S.\$289 million, excluding the general provision of U.S.\$196 million made in the first three months of 1998 in connection with the consequences of the financial crisis in Asia.
- The following provisions were made: U.S.\$25 million for the euro and the millennium, U.S.\$20 million for reorganisations and U.S.\$25 million for the risk of low interest rates. It is expected that the provisions made until now for the euro/millennium for a total amount of approximately U.S.\$196 million will be sufficient.
- Assets under management increased by 42.1% to U.S.\$235 billion.

ING GROUP  
Internet: www.inggroup.com  
The report for the first six months 1998 can be obtained at the following address:  
ING Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands.  
Telephone: (+31) 20 541 54 71, fax: (+31) 20 541 54 51, e-mail: order@inggroup.com



**Tuesday's 4 P.M.**  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

[illegible][illegible][illegible][illegible][illegible]

<p>             一、本會為維護會員權益，特訂定本會章程，凡加入本會者，均須遵守。              二、本會之宗旨，在於促進會員間之交流，並提供必要之服務。              三、本會之組織，由會員大會、理事會及監事會組成。              四、本會之經費，由會員繳納之會費及社會捐助組成。              五、本會之活動，包括學術研討、文化講座及社會公益活動等。              六、本會之服務，包括提供資訊、諮詢及法律協助等。              七、本會之紀律，凡違反本會章程者，將受到處分。              八、本會之修改，須經會員大會三分之二以上多數通過。              九、本會之解散，須經會員大會三分之二以上多數通過。              十、本會之其他事項，依本會章程之規定辦理。         </p>	<p>             一、本會為維護會員權益，特訂定本會章程，凡加入本會者，均須遵守。              二、本會之宗旨，在於促進會員間之交流，並提供必要之服務。              三、本會之組織，由會員大會、理事會及監事會組成。              四、本會之經費，由會員繳納之會費及社會捐助組成。              五、本會之活動，包括學術研討、文化講座及社會公益活動等。              六、本會之服務，包括提供資訊、諮詢及法律協助等。              七、本會之紀律，凡違反本會章程者，將受到處分。              八、本會之修改，須經會員大會三分之二以上多數通過。              九、本會之解散，須經會員大會三分之二以上多數通過。              十、本會之其他事項，依本會章程之規定辦理。         </p>
---	---

**Tuesday's 4 P.M. Close**  
(Continued)

[illegible][illegible][illegible]

Month	High	Low	Stock	Dr Yld	PE	100	Sh	Low	Latest	Org
1956	100	95	114	100	100	100	100	100	100	100
1957	100	95	114	100	100	100	100	100	100	100
1958	100	95	114	100	100	100	100	100	100	100
1959	100	95	114	100	100	100	100	100	100	100
1960	100	95	114	100	100	100	100	100	100	100
1961	100	95	114	100	100	100	100	100	100	100
1962	100	95	114	100	100	100	100	100	100	100
1963	100	95	114	100	100	100	100	100	100	100
1964	100	95	114	100	100	100	100	100	100	100
1965	100	95	114	100	100	100	100	100	100	100
1966	100	95	114	100	100	100	100	100	100	100
1967	100	95	114	100	100	100	100	100	100	100
1968	100	95	114	100	100	100	100	100	100	100
1969	100	95	114	100	100	100	100	100	100	100
1970	100	95	114	100	100	100	100	100	100	100
1971	100	95	114	100	100	100	100	100	100	100
1972	100	95	114	100	100	100	100	100	100	100
1973	100	95	114	100	100	100	100	100	100	100
1974	100	95	114	100	100	100	100	100	100	100
1975	100	95	114	100	100	100	100	100	100	100
1976	100	95	114	100	100	100	100	100	100	100
1977	100	95	114	100	100	100	100	100	100	100
1978	100	95	114	100	100	100	100	100	100	100
1979	100	95	114	100	100	100	100	100	100	100
1980	100	95	114	100	100	100	100	100	100	100
1981	100	95	114	100	100	100	100	100	100	100
1982	100	95	114	100	100	100	100	100	100	100
1983	100	95	114	100	100	100	100	100	100	100
1984	100	95	114	100	100	100	100	100	100	100
1985	100	95	114	100	100	100	100	100	100	100
1986	100	95	114	100	100	100	100	100	100	100
1987	100	95	114	100	100	100	100	100	100	100
1988	100	95	114	100	100	100	100	100	100	100
1989	100	95	114	100	100	100	100	100	100	100
1990	100	95	114	100	100	100	100	100	100	100
1991	100	95	114	100	100	100	100	100	100	100
1992	100	95	114	100	100	100	100	100	100	100
1993	100	95	114	100	100	100	100	100	100	100
1994	100	95	114	100	100	100	100	100	100	100
1995	100	95	114	100	100	100	100	100	100	100
1996	100	95	114	100	100	100	100	100	100	100
1997	100	95	114	100	100	100	100	100	100	100
1998	100	95	114	100	100	100	100	100	100	100
1										

[illegible][illegible]

هكذا من الأصل







## WORLD ROUNDUP

### South African Rugby Picks Black President

**RUGBY UNION** Silas Nkanunu, a human rights lawyer, was confirmed Tuesday as the first black president of the South African Rugby Football Union at an extraordinary general meeting.

Nkanunu, a 65-year-old attorney from Port Elizabeth, succeeds Louis Luyt, who was ousted when rugby provinces rebelled against his autocratic style of leadership following a confrontation with the black-led National Sports Council.

Nkanunu was Luyt's senior vice-president before resigning in protest at Luyt's tactics. His election was unopposed. (Reuters)

### Tyson's Road Rage

**BOXING** Mike Tyson punched one man in the chest and kicked another in the groin after a minor traffic accident, Maryland police said Tuesday.

There were no serious injuries. When police arrived, Tyson complained of chest pains and went, briefly, to a hospital.

The police said the car in which Tyson was riding, driven by his wife, was struck Monday afternoon in a three-car, chain-reaction accident in a Washington suburb.

After the accident, the drivers of the other cars were talking when Tyson walked up and began arguing. Witnesses said the former heavyweight champion punched one of the drivers in the chest and kicked the other in the groin before he was restrained by his bodyguards, who had been traveling in another car. No charges were filed. (AP)

### Award Against Peeler

**BASKETBALL** An Atlanta woman who claimed she was bitten, choked and threatened with a pistol by Anthony Peeler, the Minnesota Timberwolves guard, has been awarded \$2.4 million in damages.

A St. Louis Circuit Court jury made the award Monday to Angela Link, a former girlfriend of Peeler's at the University of Missouri, where he was played basketball.

Link, 26, said that her case was not about money. "I just wanted the jury to say he was guilty," she said.

According to Link's civil suit, Peeler attacked her at her off-campus apartment in 1992. (AP)

### Staley Switches Leagues

**BASKETBALL** Dawn Staley, a star with the Philadelphia Rage of the American Basketball League and a member of the gold-medal winning 1996 U.S. Olympic team, signed a three-year contract with the rival Women's NBA. (AP)

### McGwire Drug Earns Ban

**FOOTBALL** The National Football League suspended Paul Wiggins, a backup offensive lineman with the Pittsburgh Steelers, for four games for taking the dietary supplement used by Mark McGwire. Wiggins said he did not know androstenedione was banned by the NFL. (AP)

### Casagrande Is Suspended

**CYCLING** Francesco Casagrande, an Italian who rides for the Cofidis team, was suspended for six months by the Italian cycling federation Tuesday for two positive drug tests this year.

Tests on Casagrande, ranked fifth in the world, showed an illegal level of testosterone and epitestosterone in the Tour of Trentino in April and the Tour of Romandy in May. (AFP)



Jonas Bjorkman hitting a backhand as he beat Cedric Pioline on Tuesday.

## Graf Makes a Victorious Return

Back at the U.S. Open After 2 Years, She Advances to 2d Round

**NEW YORK** — Steffi Graf played at the National Tennis Center for the first time in two years Tuesday and came away with a hard-fought, 6-2, 3-6, 6-1, victory over Corina Morariu, an unseeded American.

Graf's last match at the U.S. Open was the 1996 women's singles final, which she won. She missed the tournament last year after left-knee surgery. Graf will play the German qualifier Marlene Weingartner in the second round.

Graf won the event in 1996, 1995, 1993, 1989 and 1988. She has not lost at the U.S. Open since 1994, when she was beaten in the final by Arantxa Sanchez Vicario.

"A lot has happened in the past two years," Graf said. "It was nice to be out there again. I don't come in here and say I'm going to win. I can win. It's nothing I look too far ahead on."

After missing four consecutive Grand Slam events, Graf lost in the third round at Wimbledon and struggled in two U.S. Open tune-ups before winning her first title since May 1997 on Saturday in New Haven, Connecticut.

"Lately I have been able to step into the matches with a much better attitude," Graf said. "A couple of weeks ago I didn't feel so good or so confident with where my game was heading."

"I have been feeling stronger and stronger and that gives me a positive attitude. To be able to turn it around the way I did in the third set, these kind of matches help a lot."

Graf has returned from her June 1997 knee operation with a special seeding

exemption that has her eighth here. But her WTA ranking, 26th, is only six spots above Morariu, who dominated their second set.

"I just sat down after the second set and said this is not the way to play," Graf said.

"I played so well the last couple of weeks. Just sitting there and concentrating on last week helped."

Graf, 29, broke Morariu in the second and sixth games of the third set for a 5-1 lead. The American sent a forehand wide on a break point in the seventh game. Graf lobbed a winner, and a Morariu backhand into the net ended it.

Joanette Kruger of South Africa beat Barbara Rittner of Germany, 6-1, 6-3, to advance to a second-round match against the sixth-seed, Monica Seles.

In the men's singles, Jonas Bjork-

man, the No. 12 seed and a semi-finalist last year, struggled past Cedric Pioline of France, the 1993 runner-up, 6-2, 4-6, 6-1, 6-7 (3-7), 6-2 in a marathon one minute shy of three hours.

Marat Safin, an 18-year-old Russian, beat Magnus Gustafsson of Sweden, 6-2, 3-6, 6-3, 7-6 (7-4).

Mark Philippoussis lost his first serve game but beat Christian Ruud of Norway, 7-5, 6-4, 6-3, to book a second-round date with Sebastian Lareau of Canada. Lareau beat Ramon Delgado, a Paraguayan, 7-5, 7-6 (7-3), 6-3.

"In the next year I am going to have to dedicate myself completely to tennis, not that I haven't been but I could a bit more," Philippoussis said. "I played too many tournaments this year. I go walkabout on the court in patches in sets. But I felt my concentration was good today."

(AP, AFP, Reuters)

### Wall Street Picks Bad Day for Seles to Visit

**NEW YORK** — Monica Seles had the morning off on the first day of the U.S. Open, so when she was invited to open trading at the New York Stock Exchange, it seemed like a cool idea.

Seles rang Wall Street's opening bell Monday, hung around for a while and then headed for the National Tennis Center. At just about the same time, the stock market went south.

"When I left, it was up 43 points," Seles said. "So the chairman said when I left, 'Oh, you brought the stock market up.'"

Seles was told she could come back whenever she liked. Then the Dow industrial average lost more than 500 points for the day.

"I am not so sure after this he wants me back," she said.

## Tennis Becomes Fun Again for Croatian Teen

Compiled by Our Staff From Dispatches

**NEW YORK** — With each shot, each serve, each return, 16-year-old Mirjana Lucic pushed her off-court troubles further away Monday night in a 6-3, 6-2 victory over Kristie Boogert at the U.S. Open.

The tennis was the easy part. Reliving the abuse, physical and mental, that she said she fled, was much more difficult.

"There were a lot of things going on all these years," Lucic said. "I try to forget everything that has been going on and focus on my tennis."

Lucic, who left her native Croatia, accused her father of abusing her in an article published last week in a Croatian newspaper.

Her father, Marinko Lucic, who also

was her coach and adviser, denied that he mistreated her in a letter also published last week in a Zagreb newspaper.

Mirjana Lucic talked of beatings, sometimes because of a lost match, sometimes because of poor practices.

"It was a tough time, mentally and physically," she said. "It was going on for a long time. I couldn't handle it any more."

She refused to discuss details. "To explain how it was, I don't think people want to know that," she said.

"I'm here to play tennis, not to remember all those bad moments. I don't deserve that any more. I just want to play my tennis."

Lucic burst into prominence a year ago when she won her first pro tour-

namment and reached the finals of three other events. She charged that the abuse started after that — she has struggled this year, defeated in the second round of the Australian Open and Wimbledon. It was after Wimbledon that she decided to leave her father.

Mirjana Lucic said she had the chicken pox before Wimbledon and that she was weak from the illness. "There were some personal problems, but most of it was I was not healthy," she said.

When she fled her homeland, she was accompanied by her mother and two brothers and two sisters. She spent the last two weeks preparing for the U.S. Open at Nick Bollettieri's tennis academy in Bradenton, Florida, and said she now felt safe on and off the court. Her mother, sisters and brothers were in

the stands, watching her first-round match Monday night.

She had little trouble, winning in just 66 minutes.

"It's the first time in a long time I am having fun, enjoying myself, focused on tennis and trying to win," she said.

"This is a new beginning for me."

Lucic said that her situation was not unique.

She explained that she used to say she was happy, but added: "Obviously it wasn't like that. A lot of players are saying the same thing."

"It's not just my case," she said. "I know it is still going on with a lot of other players. It's just not right."

"Parents must be there to support you. That is the only thing players should get from parents."



Mirjana Lucic returning a volley.

## Fit, Happy and Honored Twice Over, Ronaldo Has a Ball

International Herald Tribune

**LONDON** — He sat with marvelous self-assurance at the table of princes, presidents and politicians at the Monte Carlo Sporting Club. More recognizable than any of them, more at ease than Prince Rainier and Prince Albert and far younger was Ronaldo.

His presence might have seemed extraordinary even if this were not the player who, 50 nights previously, had become the subject of so much global concern over his health.

Then, at the World Cup final in Paris, he so underperformed for Brazil that stories spread of a potentially deadly convulsive fit in his hotel room before the match.

Would he ever recover? Would he reach the status of *numero uno* again? Would he, or we, or any of the medical scientists ever fully comprehend what happened that night? Would he smile that boyish smile, in quite such an innocent way, after his trauma?

All questions were answered before being asked when, at the UEFA Football Gala in Monaco on Thursday, Ronaldo, his girlfriend, Suzana Werner, at his

side but the entourage of agents, lawyers and sycophants for once absent, was honored twice over as the best forward and the most valuable player in European soccer.

"I feel fine," he answered when, following the four-hour dinner, the cabaret and the fireworks, guests jostled to ask after his welfare. "I'm perfect, ready to go."

The only minder, Giacinto Facchetti, once the tallest fullback in international soccer and now director of football at Ronaldo's club, Internazionale di Milano, stepped forward.

Naturally, the club doctors have put their irreplaceable talent through every examination. "All their reports give him a clean bill of health," Facchetti said. "There cannot be a healthier human being on the planet."

"He is ready for the kickoff in the Italian championship on Sept. 13."

We scarcely needed the official word. Just as the body language July 12 had been so distressing, so in Monte Carlo Ronaldo glowed. From a nearby table,

he appeared to be without a care in the world.

Discreetly dressed in the required dark suit, inseparable from his fiancée except for the two walks he was invited to take to collect his awards, Ronaldo simply had a night out.

Politics swirled all around because these are critical times for UEFA as it seeks to put down the attempt by the I.P. Morgan bank, to usurp UEFA's prime business, the Champions League.

During speeches that spanned an hour, Ronaldo sat in polite silence. During the music, he happily stomped his famous feet.

Afterward, as waiters and fellow soccer professionals alike scurried to get close to him, I doubt that Ronaldo was conscious that the prince and Juan Antonio Samaranch, the International Olympic Committee president, were being nudged aside. Andoni Zubizarreta, the Spanish goalkeeper who reached 126 caps at the World Cup, can tell his 7-year-old son that he was the first to get

Ronaldo's autograph on his menu.

As guests drifted to their limousines, Ronaldo was still trapped, still surrounded, still in no hurry to end the night.

There was no rush because, while other World Cup contestants are already back in the fray of league action in England, France, Germany and Spain, the Italian season has yet to start. Unlike those who play for European national teams and who this weekend are pitched back into the relentless schedule of a dozen qualifying games for the 2000 European Championships, Ronaldo has had time to vacation with his fiancée, time to reflect, time to live.

It seemed quite ludicrous, in his company at the gala, to think that this 21-year-old has either a medical or a mental problem and that he "failed" Brazil in its hour of need. It seemed illogical that some of the media hounded him with stories about his girl having a fling with a journalist, stories about Nike overruling doctors to make him play a final for which he was unfit, stories quoting a Rio de Janeiro scientist who said that the brainstorm was the result of long chats on his mobile phone.

"Nothing is wrong with me," Ronaldo said in Monte Carlo. "I don't know what came over me in Paris."

"I felt unwell three or four hours before the final, so I went to hospital for a check. They found nothing, so I carried on to the stadium. I don't know why I didn't have a good game."

He said it as if flicking a hair off his jacket. The World Cup and its aftermath are over, Ronaldo has the future opening for him. The Inter doctors have concluded, for what it is worth, that his off-night in Paris was a reaction to the burden of expectations of 160 million Brazilians. It remains to be seen if his club, his advisers or the media think to lessen any of that burden as the new season reclaims him.

After just 50 days, on a night in Monte Carlo, he found harmony. At the table royalty sat — a most serene prince of his game, a prince who less than a decade ago lost contact with his father, whose mother sold pizzas to feed and clothe him. Soccer has brought an insane stress, but with it a feast of riches to Ronaldo.

Rob Hughes is the chief sports writer on The Times of London.

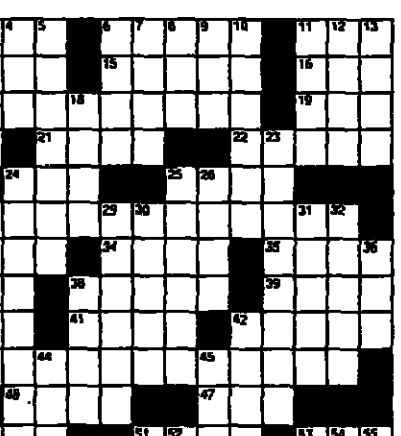
## CROSSWORD

**ACROSS**

- You go —
- Fun warrior's trophy
- Hit with a ray gun
- Ellerbee or Evans
- Collection of brains
- Coach — Parsieghan
- Tot bear given by a fan of singer Arnold?
- Just out
- Beat in Barcelona
- Garb
- Neptune's realm
- Low in the sea
- Square dancer's tie
- Part of Zerkow's Best Director speech for Forrest Gump?
- Kind of football
- "Buddenbrooks" novelist
- Duo in a score
- "Harvey" hero Elwood P. —
- Indy champ
- Andreotti
- Beat in Barcelona
- Garb
- Thanks —
- The end
- Attend an out-of-town "Bolo" performance?
- What X may represent
- Big name in bandages
- Death's partner?
- "The Last Days of Pompeii" heroine
- Harem chamber
- Part of H. M. S.
- Treats women's injuries?
- pro nobis
- Sign of spring
- Monster
- Bean of the American frontier
- Lively Latin dance
- Brows
- Trap promoter?
- Bribery of a sort
- Novelist Grey
- Square footage
- En passant capture
- Captured
- Make ingeniously
- Magician of the comics
- MacIntyre cousin
- "Not again!"
- Rainbow —
- Paul Bunyan, at times
- Some pizza orders
- Picture card?
- Nancy Drew's creator
- Aquarium scavenger
- Consumer Reports lack
- A.A.R.P. members
- West and Clarke
- National anthem follower, at times
- Outlooks
- Sound off
- Hammer-hurling god
- Space starter
- Inside shot?
- Day to remember
- Greek peak
- Draft status
- Make-or-break time
- Responds to a Jeopardy!
- Victorian
- Zip
- Miscellaneous

**DOWN**

- Countertop
- Rushes along
- Prefix with skeleton
- Recipe word
- Auto race place
- Urban blight
- So-so grades
- So-so link
- Flap
- Stay
- Salts
- Line
- Urges
- Email
- Atop
- Pool
- Nasty
- Shopping
- Quis
- Kenyan
- Reelin
- Gewgaws
- Ada
- Shea
- Unri
- Luan
- Haydn
- Plainsight
- Alps
- Alta
- Echo
- Jose
- Stassen
- Garlic
- Laotse
- Bach
- Scratcher
- Stork
- Pop
- Coma
- Solve
- Alms
- Criss
- Smear
- Mojo
- Rose



© New York Times/Edited by Will Shortz

## Florida State Wears Down Texas A&M

By Joe Drape  
New York Times Service

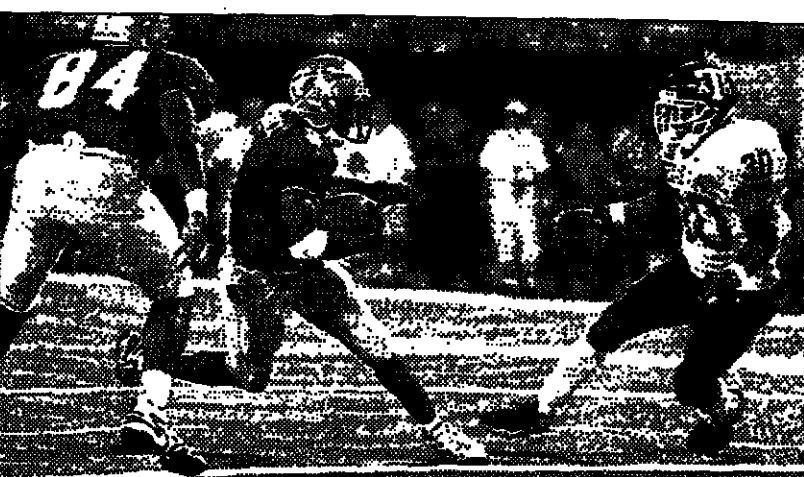
**EAST RUTHERFORD, New Jersey** — Florida State outlasted Texas A&M in an old-fashioned Southern brawl in the Kickoff Classic.

The Seminoles' offense sputtered close to the goal line, and they trailed the underdog Aggies until very, very deep into the third quarter. But the team ranked No. 2 in preseason polls of both coaches and the news media wore down the Aggies — though not with its usual explosive flair — to win 23-14.

The Aggies demonstrated some heroic efforts on defense that first allowed them to reverse an early 10-0 deficit and then gave their offense a chance to win the game. In the fourth quarter, Dat Nguyen, the all-American and Butkus award candidate, recorded nine solo tackles and single-handedly prevented two Florida State touchdowns.

"We kept rising to the occasion, and this is going to help us down the road," Nguyen said. "It shows we got a lot of heart."

Nguyen and the rest of the Aggie defense made life painful for Chris Weinke, the 26-year-old Seminoles quarterback, who was starting his first football game after six years in the minor leagues for the Toronto Blue Jays.



Peter Warrick, Florida State receiver, scoring the go-ahead touchdown.

The quarterback kept going to his junior receiver, Peter Warrick, perhaps the finest receiver in the nation, and finally, with five seconds left in the third quarter, found him for the go-ahead touchdown on a critical third down. That gave Florida State a lead of 20-14.

Weinke, who finished with 21 of 36 completions for 207 yards, took the blame for the dead spots.

"I rushed some things," he said. "I give myself an A-plus for leadership, but only a C for execution."



## SPORTS

# Sosa Hammers 55th To Tie McGwire Again

**The Associated Press**  
Snoozy Sosa, who homered to tie Mark McGwire for the major league lead, came out of the dugout twice to celebrate home runs. The second blast, however, wasn't his own.

Sosa took a curtain call after his 55th homer in the third inning of the Chicago Cubs' 5-4 victory over the Cincinnati Reds on Monday night.

**ML Roundup**  
Reds on Monday night. An inning later, Sosa went out to greet the crowd in place of the Cubs' pitcher, Kerry Wood.

Wood had just given Chicago, which remained tied with the New York Mets for the lead in the NL wild-card race, a gift with his two-run homer, and the Wrigley Field crowd was chanting for him to step out of the dugout. When Wood took the pitcher's place, Sosa took the bonus curtain call.

"I was still in the game and I wasn't going to go out," said Wood, a rookie right-hander. "I wouldn't want a pitcher to take a curtain call if I was in his park and he hit a home run off me." So Sosa took the bonus curtain call.

"He's been taking them all year, so what's one more for him?" Wood said. Sosa, whose 54th homer Sunday afternoon tied McGwire until the Cardinals hit his 55th that night, moved within one homer of tying Hack Wilson's 68-year-old club and National League record when he lined an O-1 pitch from Brett Tomko into the left-field bleachers. Sosa also tied out and struck out twice to go 1-for-4.

Wood (13-6) went six innings, struck out 10 and allowed four runs and six hits. Rod Beck pitched the ninth for his 40th save.

**Cardinals 5, Marlins 3** Mark McGwire went 0-for-3 but Brian Jordan homered to help St. Louis. McGwire struck out twice, walked twice, fouled out and fell to 0-for-9 lifetime against Marlins' starter, Kirt Ojala (1-4). He worked the count to 3-2 on each of his five trips to the plate.

**Astros 4, Braves 3** Houston, held to just two hits in the first eight innings by John Smoltz (13-3), scored three runs on six singles in the ninth to win in Atlanta.

With the Astros down 3-1, Craig Biggio, Bill Spier and Derek Bell singled to load the bases and chase Smoltz.

Kerry Litenberg, the Atlanta relief pitcher, gave up run-scoring singles to Jeff Bagwell and Moises Alou. Then, with two outs, Brad Ausmus lined a single to right to score Bell.

**Giants 6, Phillies 2** Rico Brogna's throwing error allowed San Francisco to score the go-ahead run in a four-run eighth inning.

**Mets 8, Dodgers 3** Mike Piazza had run-scoring hits with two outs in his first two at-bats to put New York ahead for good in Los Angeles. In his first series at Dodger Stadium since being traded to Florida and then to the Mets, Piazza was 3-for-13 with two walks. He went 3-for-4 with a walk Monday night.

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
New York	90	57	.612	0
Boston	80	65	.553	10
Tampa Bay	78	67	.538	12
Baltimore	69	76	.476	21
Seattle	53	92	.362	37

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
Chicago	75	61	.551	0
Minnesota	64	72	.467	11
St. Louis	62	74	.453	13
Detroit	58	78	.428	17
Cleveland	52	84	.382	23

###### WEST DIVISION

Team	W	L	Pct.	GB
Los Angeles	76	62	.551	0
Oakland	73	65	.527	3
Seattle	62	74	.453	14

##### NATIONAL LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	90	48	.652	0
New York	76	62	.551	14
Philadelphia	66	72	.476	24
Florida	58	80	.420	32
Pittsburgh	51	87	.367	39

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41

###### CENTRAL DIVISION

Team	W	L	Pct.	GB
St. Louis	76	62	.551	0
Chicago	65	73	.470	11
St. Louis	65	72	.476	11
Chicago	64	73	.467	12
Atlanta	64	73	.467	12

###### WEST DIVISION

Team	W	L	Pct.	GB
San Diego	74	64	.536	0
San Francisco	70	68	.509	4
Los Angeles	68	70	.493	6
Colorado	53	85	.384	16

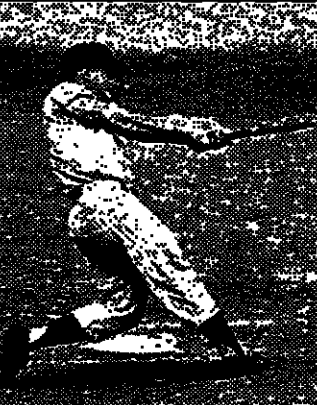
##### HOVEY LEAGUE

###### EAST DIVISION

Team	W	L	Pct.	GB
Cleveland	92	42	.687	0
St. Louis	80	54	.597	12
Philadelphia	76	58	.568	16
Florida	66	68	.493	26
Pittsburgh	51	87	.367	41



Phillies' Mark Lewis turning the double play on the Giants' Ellis Burks.



### Chasing the Record

Home run tally for two contenders to break the season record of 61 homers set in 1961 by Roger Maris (left).

#### MARK MCGWIRE

55 0-for-3 vs. Marlins on Monday

Maris through 137 games: 63

#### SAMMY SOSA

55 1-for-4 with one homer vs. Reds on Monday

Maris through 138 games: 63

### TENNIS

#### U.S. OPEN

##### TUESDAY IN NEW YORK

###### MEN'S SINGLES

Sebastian Larrinaga, Canada, def. Roman

Delgado, Paraguay, 7-5, 7-6 (3), 6-3. Mark

Phillips, Australia, def. Christian Baud,

Norway, 7-5, 6-4, 6-3.

John Goss, France, def. Jiri Novak,

Czech Republic, 6-3, 6-4, 7-6 (3).

David Radecki, def. Magnus Gustafsson,

Sweden, 6-2, 6-3, 7-6 (3).

**WOMEN'S SINGLES**

Barbara Schett, Austria, def. Martina

Wagner, Germany, 6-3, 6-2. Barbara

Schett, Austria, def. Martina Wagner,

Germany, 6-3, 6-2.

**TRANSITIONS**

##### AMERICAN LEAGUE

ANAHEIM—Activated RHP Ken Hill from

15-day disabled list. Deactivated RHP Steve

Spears to 15-day disabled list. Bought contract of

RHP Jeff Schmitt and INF Gar Volp from

Vancouver, PCL. Put Schmitt on 60-day and

Volp on 15-day disabled list. Trans-

ferred RHP Mike Finkel from 15-day to 60-

day disabled list.

**CLEVELAND**—Activated 2B Joey Cora from

Seattle for INF David Bell. Put LHP Tom

Harris on 15-day disabled list. Bought con-

tract of C Elmer Diaz from Buffalo, IL. Trans-

ferred LHP John Smiley from 15-day to 60-

day disabled list.

**TEXAS**—Activated LHP Al Levine to So-

vernham, SAL. Bought contract of LHP Tony

Fossum from Oklahoma City, PCL.

**NATIONAL LEAGUE**

COLORADO—Agreed terms with OF Dante

Bichette on 3-year contract extension.

# Gonzalez Bats In 7 Runs As Rangers Rout Tigers

**The Associated Press**  
Juan Gonzalez drove in seven runs and set a Texas club record with four extra-base hits, powering the Rangers to a 13-2 rout of the Detroit Tigers.

Gonzalez hit his 39th homer, tripled and doubled twice, all off starting pitcher Bryce Florie. In his two games

## AL Roundup

against the right-hander, Gonzalez is 8-for-8 with 2 homers, a triple, 5 doubles and 12 runs batted in.

"He hit every pitch I had," Florie said after the game Monday. "I threw him four different pitches and he hit every one. I can't get the guy out. Maybe I should just throw my glove at him next time."

Gonzalez, who leads the majors with 143 RBIs, would probably rip the leather off that, too.

Gonzalez just missed becoming only the second Ranger to hit for the cycle when Bobby Higginson ran down his low liner to medium right in the eighth.

"I was trying," Gonzalez said. "But he caught the ball. He's a competitor, and he did what he was supposed to do."

Gonzalez, who drove in a career-high 144 runs in 1996, is close to becoming the first AL player to reach 150 RBIs since Ted Williams and Vern Stephens had 159 each for Boston in 1949.

Roberto Kelly added a two-run homer for the Rangers, who moved within 2½ games of idle Anaheim in the AL West.

Indians 15, Athletics 6 In Cleveland, rookie Richie Sexson homered for the fourth time in three days and drove in four runs as the Indians, who scored 10 runs in the first inning, routed Oakland.

Hours after acquiring second baseman Jose Cora from Seattle for David Bell, the Indians scored 10 runs in their first at-bat for the first time since July 6, 1954. Cora scored twice in the inning.

Oakland's Ricky Henderson became the sixth player to score 2,000 runs, joining Ty Cobb, Hank Aaron, Babe Ruth, Pete Rose and Willie Mays.

Red Sox 5, Mariners 1 Nomar Garciaparra moved closer to joining an exclusive home run list with his 29th of the season.

With the homer at Fenway Park, Garciaparra is one away from becoming only the fifth player in the history of the major leagues to hit 30 or more homers in his first two seasons.

The other four are Rudy York (1937-38), Ron Kittle (1983-84), Jose Canseco (1986-87) and Mark McGwire (1987-88).

Ken Griffey Jr., who homered twice on Sunday



## OBSERVER

## Dear Diary, a New Day

By Russell Baker

NEW YORK — Out of bed. Legs working O.K. Not like when they were running the quarter-mile in high school, but good enough to carry the whole structure all the way to the pills. Took pills. Shaved. Thought about presidents. Why everybody make such a big deal about presidents.

Showered. Franklin Pierce supposed to have been a boozier. Got so snookered once that he rode his horse into a tree. So they say. Whoever "they" are.

Downstairs. Open four doors. Blasts of wet heat. Remember Andre Malraux's book about revolutionaries being thrown into locomotive boilers? "Man's Fate"? "Man's Hope"? Read it too late in life to remember it well.

Something about Chinese communists. Wait too long to read a great book and you can't remember it the week after you close it. "The Leopard" like that. Read it three years ago. Great great novel. Now can't remember anything about it. Should have read it in high school.

Who'm I kidding? In high school read Street & Smith pulps. Spicy Detective, Spicy Western, Spicy Whammy. Why have high school on mind this morning? Maybe subconsciously depressed by thought I'll never again run the quarter-mile in 50 seconds. And that's tortoise speed nowadays. Everybody now hipped up on chemicals though. Cheating.

Brought in morning paper. Clinton, Monica. Lord save us. "Lord Save Us With James C. Davis." Slogan of that Congressman trying to get some ink by running for president back in the 1950's. 1960's maybe? Lord save us

with Bill and Monica. From Bill and Monica? Monica, oh Monica! Groucho's song about tattooed lady. "Lydia, oh Lydia, oh something, something — Lydia the tattooed lady!"

Turned on TV. Weather Channel. Switched to old-movie channel. Switched to CNN. Hurricane, Bill and Monica — oh have you seen Monica? — Orrin Hatch. Never thought there'd come a time when Orrin Hatch was the only man in Washington who looked presidential.

Read comics, obits, sports. Has a baseball season ever been duller? Yankees sewed up pennant by Mother's Day. McGwire, Sosa, Griffey hit homers galore but their teams lose anyway.

Finished breakfast, felt rotten about not reading in Gibbon's "Decline and Fall" for past three months. Never finish at this rate. Not with old Alzheimer waiting to pounce. Still, have to read something by St. Thomas Aquinas. Aquinas provides moral insight. My next Bill-Monica column needs it. Bill-Monica columns very flabby. "No substance, no urgency, no moral insight, no edge," says editor.

Got to have edge these days. Miles and miles and miles of edge. Probably get away with cribbing Aquinas word for word. Newsroom types never read him anymore. Careful, though. Can't even plagiarize your wife's wisecracks these days without some editor demanding your resignation.

Trouble is, impossible to stay awake reading Aquinas. Not spicy enough? Why not take a nap first? Then tackle Aquinas after waking up refreshed? Good thinking...

New York Times Service

## A Cast of 1,000 Gathers in Beijing for 'Turandot'

By Erik Eckholm  
New York Times Service

BEIJING — In a giant courtyard of the Forbidden City, a woman's voice soars gloriously into the night sky.

Spotlights illuminate a 580-year-old Ming Dynasty temple where emperors once made sacrifices to their ancestors. Now hundreds of Chinese soldiers and dancers move to the music and to instructions shouted over a loudspeaker. Two ancient-looking pavilions at the front of the vermilion temple hall eerily glide toward center stage, then spew forth dozens more soldiers.

Framed by scores of scurrying carpenters, the scene the other night in this corner of the Imperial palaces was a spectacle worthy of Cecil B. De Mille as preparations got under way for the first presentation of "Turandot" in the Forbidden City — the very setting Puccini imagined for his Orientalist fantasy of an icy princess who succumbs to love.

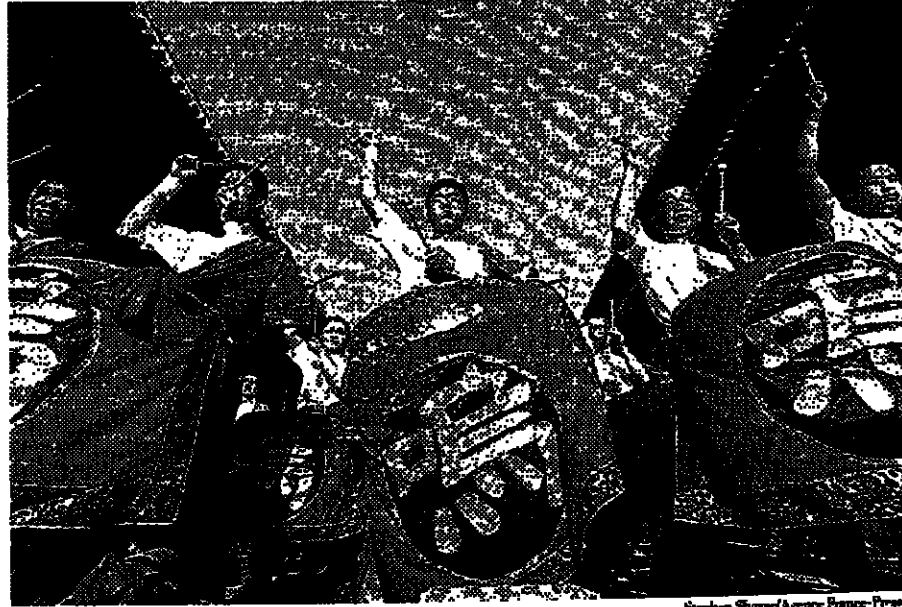
Zhang Yimou, the director of "Raise the Red Lantern" and "Red Sorghum," sat on a chair in the middle of the audience area. He stared ahead as though mesmerized, occasionally conferring with his choreographer, Chen Weiya.

Chen held a microphone, calling directions to the army of soldiers onstage, who were literally from the Chinese militia. "Pay attention to the music!" he shouted as someone opened a door too quickly.

The director and choreographer, engaged in intimate collaboration, glanced back and forth from the temple to a television monitor that played a videotape of the "Turandot" they staged with Zubin Mehta in Florence last year. The soundtrack of that video, which Chen controlled with a remote, roared into the night, giving the place a slightly frantic and surreal quality.

This week Mehta is expected to be on hand for full dress rehearsals. The 120-piece Maggio Musicale Fiorentino/Florence Opera orchestra, a chorus of 200 and the divas all fit in front of the temple along with a cast that will approach 1,000 members in the grand finale.

In the eight performances scheduled on ceremonial nights beginning Saturday, three singers will alternate in each of the main parts. Giovanna Casolla, Audrey Stotter and Sharon Sweet will play Princess Turandot; Angela Maria Blasi, Barbara Fritoli and Barbara Hendricks will play Liu; and Lando Bartolini, Kristjan Johansson and Sergei Larin will play Prince Calaf.



Soldiers of the People's Liberation Army rehearsing their role for "Turandot."

Michael Ecker of Austria, the impresario who pulled off this coup after four years of haggling with Chinese officials, called the staging "the last great cultural event before the millennium festivities begin."

The event has been warmly greeted by government officials, in sharp contrast to the thwarting of another grand cultural exchange this summer. Last month a culture commissar in Shanghai blocked the export of a performance of a 22-hour Ming Dynasty opera, "The Peony Pavilion," which had been sponsored by Lincoln Center. Ecker admitted to having lost some sleep when the Shanghai city government prevented that cast from leaving for the United States on the ground that the production was pornographic and disrespectful of tradition.

Zhang, whose films and free thinking have not always endeared him to Communist officials, said he had to show authorities a written description of his plans to get approval for "Turandot" but that there had been no interference. The China Performing Arts Agency is co-producer of "Turandot," a commercial venture that is worlds away from the sternly moral revolutionary operas of Mao's Cultural Revolution.

The production is establishing new standards for spending on an opera — close to

\$15 million — and for attracting jet-set opera fans, thousands of whom are zooming in from Europe, the United States and the rest of Asia.

It is also a new high for "corporate hospitality" as companies like Morgan Stanley, Credit Suisse First Boston and Elle magazine buy large blocks of seats to the show and the 15-course dinner that follows each staging, the better to entertain choice clients and cultivate *guanxi*, or personal ties, with Chinese officials.

In an interview on the palace steps after an early rehearsal, Zhang seemed exhilarated but admitted to some frustration trying to control such a sprawling enterprise.

At the rehearsals, which often ran from 8 P.M. to midnight, Mehta's assistants sat at a table behind the director, reading the score as they watched scenes take shape. At another table were lighting designers from Florence. Specialists from the Vienna State Opera hoped to give the outdoor space the acoustical quality of a concert hall.

In the back hall of the temple hung many of the 1,000 costumes, designed along with the set, by two Beijing artisans commissioned by Zhang as part of his effort to make the production as authentic to the Ming Dynasty as possible.

Altogether, the scene was one of controlled chaos. During the production last year in Florence, which was in effect a smaller-scale rehearsal for the Beijing show though a hit in its own right, Zhang learned what a nail-biting experience it is to pull together an opera.

"I discovered 30 problems on opening night," he recalled. "Others told me not to worry, it's impossible to have a perfect performance." Making films, he said, he can shoot and reshoot, and study his film again and again.

In repose, Zhang often looks as if he is about to cry, but his face becomes animated when he talks about his goal to recreate "Turandot" with a genuine Chinese spirit. Many Chinese viewers, perhaps unschooled in Western opera, may feel bemused, he said.

"Though there's a huge cast of Chinese extras and dancers, the singers are all foreign people," he said. "So Chinese viewers may feel it's funny in some way."

By providing meticulously authentic sets and costumes and by staging "Turandot" in a classical Chinese manner, the director hopes to create a new sense of an opera that was composed by an Italian who never visited China.

Zhang said he knew little about opera before Mehta and Ecker approached him about the project. "When I first saw this opera, I felt it had nothing to do with China; it was a myth that could be anywhere."

While Zhang works to wring order out of a thousand pieces, Ecker, the producer, has worked in hyperdrive to make the enterprise pay off. Ecker is with Opera on Original Site Inc., a group based in Switzerland that earned its name by staging Verdi's "Aida" in Luxor, Egypt.

The Chinese government seems to be embracing the show, with the official press extolling the role of the home-grown director and designers, and tourist officials cheered by the prospect of thousands of well-heeled visitors. The Chinese government will receive 200 complimentary tickets to each show (of close to 4,000 available seats each night), and President Jiang Zemin is expected to attend.

Two performances of "Turandot," one a general rehearsal and one an official performance, were reserved for Beijing residents at reduced prices and sold out in five days. The cheapest tickets, at \$150, are gone. Remaining are \$350 seats, which include the dinner.

## PEOPLE

THE 22 members of France's champion World Cup soccer team received the French Legion of Honor from President Jacques Chirac on Tuesday. At the ceremony in the Elysee Palace, Chirac also handed out awards to the team's former coach Aime Jacquet, to Michel Platini, the head of the French World Cup Organizing Committee, and six other French soccer figures. The team beat Brazil on July 12 for the World Cup title.

The three tenors — Luciano Pavarotti, Placido Domingo and Jose Carreras — will perform in concert next April 18 in Pretoria, the South African capital. The concert's sponsor, a telecommunications company, said the three would perform with the 110-piece South African National Symphony Orchestra.

Disgruntled Italian dubbers plan to take their cause to the Venice Film Festival, which opens Thursday with

the European premiere of Steven Spielberg's new war epic "Saving Private Ryan." "We've asked to hold a news conference," said Alessandro Piombo of the Italian Actors' Union. "We've been welcomed with open arms."

Joaquin Phoenix, 23, is working hard to escape the shadow of his late brother, River. On the set of "Return to Para-

dise," Phoenix, who plays an American facing death in a Malaysian prison, showed up gaunt as a ghost after apparently not eating. River Phoenix collapsed in front of a Los Angeles nightclub and died of a drug overdose in 1993.

Prince Harry, the second son of Diana, Princess of Wales, begins classes at Eton this week, joining his brother,

Prince William. . . . A thank you letter written by Diana to a New York chauffeur two months before her death a year ago was offered for sale on Monday by a New York dealer for \$4,750. The letter, written on Kensington Palace stationery and dated June 25, 1997, was written by Diana to Tom Maier, who chauffeured the princess during a trip to New York that coincided with a charity auction of her old dresses.

The actor Steven Seagal, along with Brad Pitt, Kim Basinger and David Duchovny, is urging Taiwan lawmakers to pass an anti-cruelty bill aimed at helping thousands of homeless dogs. Seagal, who recently visited the country with animal-rights activists, is appearing in an ad sponsored by People for the Ethical Treatment of Animals.

The Royal Shakespeare Company has chosen a Dutch architect, Erick Van Egeraat, to design its new home in Stratford-on-Avon.

## A Very American 'Peer Gynt' in Norway

New York Times Service

OSLO — Maybe it seems like carrying coals to Newcastle, but Romulus Linney's "Gint," a very American version of Henrik Ibsen's Norwegian epic "Peer Gynt," will be performed by a troupe from New York on Wednesday and Thursday in Oslo.

There's a story behind it. The Theater for the New City production of "Gint" was invited to Oslo by the National Theater of Norway to take part in its International Ibsen Stage Festival. Every two years since 1990, it has been inviting selected companies from around the world to stage their Ibsen productions in Norway. The Theater for the New City production, which had its world premiere in New York in February, is billed as the first from the United States to be selected for the festival.



President Chirac and members of the French World Cup team.



(kick off your shoes)

and use AT&T Direct™ Service. With the world's most powerful network, you get fast, clear, reliable connections from anywhere. Plus you'll always have the option of an operator who speaks your language. All it takes is your AT&T Calling Card or credit card, and you're well on your way. Without a care in the world.

## Steps to follow for easy calling worldwide:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial your card number.



AT&T Access Numbers			
Austria	022-983-011	Greece	00-800-1311
Belgium	0-800-100-10	Ireland	1-800-550-000
Czech Republic	00-42-000-101	Israel	1-800-94-94-94
Egypt (Cairo)	010-0200	Italy	172-1011
France	0-800-99-0011	Netherlands	800-022-9111
Germany	0130-0010	Russia (Moscow)	755-5342
		Saudi Arabia	1-800-100-10
		Spain	900-99-00-11
		Sweden	020-795-611
		Switzerland	0800-99-9011
		United Kingdom	0800-99-0011
		United Kingdom	0800-99-0011

For access numbers not listed above ask any operator for AT&T Direct Service, or visit our Web site at [www.att.com](http://www.att.com)

For access numbers not listed above, ask any operator for AT&T Direct Service, or visit our Web site at: [www.att.com/traveler](http://www.att.com/traveler)



It's all within your reach.

Credit card calling subject to availability. Payment terms subject to your credit card agreement. Solid-based countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. \*Pay phone deposit. \*Limited availability. \*Calling available to most countries. \*On-call phone service requires local coin payment during the call. \*Dial "02" first, outside Cairo. \*Additional charges apply outside Moscow, China, U.K. access number in N. Ireland. \*If call does not connect, use 0800-013-0011. ©1998 AT&T

مكتبة الامم المتحدة

The World's Daily News

Malaysia  
Chief Voice

Awat (The World's Daily News)

Tensions Rise  
As Student-  
Burma Protes  
Military Rule

RANGOON — Students started a strike on Wednesday, the largest since Burma's military took power in 1962. The strike was called by the National Union for Democracy, a student-led group that has been active in the struggle for democracy in Burma. The strike was a response to the military's recent actions, which the students believe are a violation of the 1988 constitution. The strike is expected to last for several days.

Key Genocide  
By UN Court

By James M. ...  
ARRESTED — ...  
mark ...  
tribunal ...  
Rwanda ...  
judgment ...  
South ...  
Seychelles ...  
Africa ...  
prosecution ...  
these ...  
ment in ...  
to ...  
by ...  
some ...  
the ...

Barcode and publication information.